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Housing Element City of Alameda





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Housing Element

Prepared by the City of Alameda Planning Department

Alameda, California

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Contents

	Page
Introduction and Summary	1
Housing Goals, Policies, Action Program	2
Implementation Strategies	8
People and Housing	13
Overview	13
Regional Context	14
Current Population & Households	16
Housing Inventory	22
Neighborhood Profiles	31
Market and Governmental Constraints	44
Housing Needs Assessment	48
Future Housing Needs	55
Environmental Analysis	58
Appendices	60

Introduction and Summary

The Housing Element of Alameda's General Plan is a statement of local housing needs, policies and program commitments. Goals, policies and program recommendations were developed by the Citizens Housing Element Advisory Committee based on a review of past and current City policies in the areas of housing and land use, on resource availability, and on assessment of housing assistance needs in Alameda.

The Housing Element is a State-mandated element of the General Plan. State Government Code Section 65302(c) requires cities to prepare a housing element which "makes adequate provision for the housing needs of all economic segments of the community." Under current regulations, (State Housing Element Guidelines, Article 1, Section 6450)

"adequate provision for the housing needs of all economic segments of the community requires each city, through its housing element, to make a good faith, diligent effort to provide opportunities—for appropriate variety and choice of housing for all economic segments of the community, consistent with its identified need—such effort must emphasize the use of those public powers which impact on housing as well as the use of State and Federal housing programs."

The current market situation has changed the picture quite dramatically since the housing element was first prepared in 1975. Housing affordability and displacement of people from their neighborhoods are now front page issues. It is clear that more and more people do not have their housing needs met by the private sector alone and that people with very low income are not served even by government programs.

A conservative estimate of over 5000 lower income households face problems of affordability or substandard condition. The



limited supply of rental units poses another problem—lack of choice—for renters of all income levels. And, in addition, over 70% of the City's middle income families seeking homes to purchase are priced out of the market and no homes are being built affordable to middle income people.

At the same time that needs are increasing, programs are set in a context of limitations. Alameda, as an old island city, has very little land to develop new housing and housing resources are diminishing on the national and state levels as well.

It is in light of the current situation that past policy statements are reviewed. Both State and Federal policy declare the provision of a decent home in a satisfying living environment for all to be a priority of the highest order. Alameda confirmed this in its 1975 "Goals for Alameda" which states as the first housing goal that:

"The quiet residential character of Alameda, with its mixed tenure of housing available to people of most economic situation and all ages shall be preserved and encouraged. Alameda's primary concern should be the housing of its existing residents."

Other goals from the 1975 Housing and Physical Planning task force centered around the areas of preserving Alameda neighborhoods, the desire to stop high density development, to have more control over future development and improved communication with government. Concern was also expressed for people needing assistance with housing in the goal of providing a full range of housing services to residents of the City.

The concerns about the density have effectively been taken care of through a City ordinance implementing Measure A, passed in

1973 which limits new construction to duplexes or single family houses. Recently adopted policies contained in the Combined Land Use Plan (CLUP) go a step further toward actually reducing densities on an attrition basis throughout the City. CLUP, now City policy, designates the entire residential area of the City, with the exception of existing apartment development, as single family or special single family districts.

The ongoing concerns from 1975 and the issues of today have been incorporated in proposed goals, policies and the Housing Action Program by the Housing Element Committee.

The current housing program of the City consists of two parallel efforts: one, assistance to lower income renters through the Alameda Housing Authority and, two, subsidized rehabilitation financing for lower income owners and landlords. During the 1970's the Housing Authority has all but replaced the 330 units of temporary housing occupied in 1970 and has increased the private rental supplement program from 225 to 440 units. This Section 8 program remains the major source of aid for lower income renters. The rehabilitation program has assisted 13 households to obtain below-market interest rehabilitation loans in its first year of operation.

In recommending an ongoing Housing Action Program, the Housing Element Committee emphasized the need for an expanded rental assistance program through the Housing Authority, a continuing rehabilitation effort, and a new program of co-investment to assist would-be home purchasers. Incremental new construction of homes affordable to middle income and lower income home purchasers was also recognized as an important element of the Program.

The Committee did not make recommendations on sources of funding for the Program. The section titled "Implementation Strategies" lists various resources and strategies which may be applicable to those elements of the total Program finally adopted by the City Council.



Housing Goals, Policies, Action Program Recommendations

This chapter contains recommendations for the crux of the Housing Element in Alameda. The housing goals, policies, and action program were arrived at by the Housing Element Advisory Committee for recommendation to the Planning Board and City Council. The program finally adopted by the Council, will need to go a step further than this draft, with agency responsibility and funding sources identified for each program action in order to be based in reality.

To the reader not familiar with Alameda, the following should make clear the context for which the recommendations were developed. Alameda is an old city on an island adjacent to Oakland in the San Francisco Bay. Residential areas are developed to a relatively high density, and in 1973, the City Charter was amended to limit construction to duplexes and single-family homes. Much of the remaining buildable land is slated for expensive new housing, commercial, office and recreational uses.

The following letter was written by Mayor Corica in July, 1979:

July, 1979

Mr. Lawrence B. Simons
Assistant Secretary for Housing
Department of Housing and
Urban Development
Washington, D.C. 20410

Dear Undersecretary Simons:

It has been a month that you stated publicly at the U.S. Conference of Mayors in Pittsburgh that you would personally look into Alameda's problem with HUD. To date I have not received any information on this matter from your office.

I personally gave you a sheet of paper which explained our position. In summary this is what it was meant to show.

1. The City of Alameda has adequately provided its share of subsidized housing in Alameda.
2. The City of Alameda, with Navy housing included, provides 10% of its total housing stock to aid those in need of housing. A figure considerably higher than any City in the county.
3. Alameda has spent \$2.5 million dollars from 1973 to 1976 of its own local funds to provide public housing for those in need. (When I asked the Assistant Secretary Bob Embry if he knew of any other city in the country that spent this amount of their own funds, he replied that he couldn't think of one.)
4. I explained to you that Alameda, being an island in San Francisco Bay, has a limited amount of lots on which to construct new low cost housing, but that we could very possibly provide the additional units through a rehabilitation program where older homes would be upgraded and used for those in need. This would achieve the dual effect of upgrading the run-down homes and provide scattered housing throughout our city.
5. The voters of our island city fully realize the fact that Alameda has one of the most dense populations in the region (we have 75,000 people living on 2.8 sq. mi. of residential land), which had a great deal to do with the rejection of a ballot measure to proceed with additional new construction of low cost housing. They are also acutely aware that we are indeed doing more than our share to provide for those in need.

These facts have been thoroughly discussed with our Area Office and your new Area Director, Mr. Henry Dishroom. They refuse to recognize or give credit for the great job we have done over the years, which leads me to state that in 1975 at the Boston Conference of Mayors, I listened with great excitement when then Secretary Carla Hills stated that the Block Grant would be given to the cities and that the local government would decide where it should be spent because they would know best their own particular problem. In 1979, at the Conference, I heard you state practically the same thing—that HUD was there to help local governments implement their own programs.

I believe HUD simply mouths statements like these, but in reality it's either do as HUD wants or get your funds cut off. I don't really believe HUD cares about local government. When local governments complain to our Area Office they are told that Federal Guidelines forbid them from being flexible.

If this is indeed the case, I have a suggestion. Let's do away with the Area Office and its staff and deal directly with the Washington Office. The millions saved could be put to use in helping those in need.

The Area Office recommended to you that the City of Alameda be punished for not providing additional units of new construction by taking away their 1978 funds. You complied without asking our side of the story, and thereby eliminated our program for senior citizens and the handicapped.

I strongly feel that HUD is acting in a dictatorial and inconsiderate fashion. You are turning off the very sources that you say you are trying to help.

I do not like writing you a letter like this, but I feel that you should be made aware of information that your Area Office may not have provided you. Again, remember \$2.5 million dollars of local funding was spent building new construction which includes a 65-unit senior citizen housing project, our Esperanza public housing (120 units) and a new concept of modular homes (40 units). Alameda will break ground shortly to provide an additional 50 units of new duplex construction for families of low income.

I feel strongly that you should return the \$1,047,000 you took away from us.

Very truly yours,

Chuck Corica
Mayor

CJC:jf

cc: President Jimmy Carter
Senator Alan Cranston
Senator S.I. Hayakawa
Congressman Pete Stark
Assemblyman Elihu Harris
Henry Dishroom, Area Director

Even if the land and the intention were present to build housing affordable to middle and lower income people, market factors and the severely limited government housing resources would make it impossible for the City to provide more than minimal assistance to those needing housing assistance. Inflation is one of the major factors limiting effectiveness of housing programs. Inflation in land costs, overhead and profit in particular, in the context of a strong seller's market, erodes affordability far faster than program resources can mitigate these effects.

It is within the context of these limitations that the following goals, policies, and program actions are set.

Housing Goals and Policies

The recommended overall goal is a decent home in a suitable living environment for all Alameda.

The Housing Committee identified two major elements in housing goal formulation: *liveability* and *affordability*. Under each, goal statements are grouped into areas of housing goals and policies as follows:

Liveability

Rehabilitation Goals and Policies

- To conserve and rehabilitate the existing inventory of housing.
- To eliminate conditions of overcrowding.
- To correct unsafe conditions.
- To correct unsanitary conditions.

Neighborhood Goals and Policies

- To maintain and improve the physical and social integrity of existing and future neighborhoods.
- To give priority for public open space and other public improvements to neighborhoods determined to be deficient relative to the rest of the City.

Affordability

New Construction Goals and Policies

- To provide incentives in order to encourage the construction of units affordable to lower and middle income households.
- To add units to existing housing on scattered sites throughout the City and in underutilized commercial space.

Home Ownership Opportunities Goals and Policies.

- To encourage opportunities for home ownership for lower and middle income renters and newly formed households.
- To promote equity in financing throughout the City.
- To encourage the establishment of a home ownership co-investment program whereby public and private funds are co-invested in owner housing for eligible families.
- To allow condominium conversions in circumstances which would increase ownership opportunities for middle income people without undue tenant displacement.

Renter Goals and Policies

- To maintain the supply of rental units at a high proportion of the existing rental inventory.

City Housing Action Program

This section contains a listing of strategies and actions that the City could take in the next three years in a coordinated local housing program. These recommendations are intended to be sensitive to the realities of local priorities developed by the Housing element Advisory Committee, as well as to resource availability. A description of the recommended programs is found in the Implementation Strategies Section.

A three-pronged approach is recommended: rehabilitation and neighborhood preservation; assistance for would-be home purchasers and lower income renters; and new and replacement construction. The prime emphasis is on the maintenance and rehabilitation of, and the financial assistance with the existing housing inventory to meet the changing needs of the City's families. A new and relatively minimal effort in new construction is also recommended.

CITY HOUSING ACTION PROGRAM AND IMPLEMENTATION FRAMEWORK

REHABILITATION AND NEIGHBORHOOD PRESERVATION

Action Program	Target Objective	Action Needed	Department	Program Funding	Time Frame
1.* Expand funding level of Rehabilitation Office.	Rehabilitation of 50 to 75 units per year	Fund commitment	City Manager's Office	General Fund HCDA Sec. 312 Sec. 8. Rehab.	Ongoing
2.* Investigate HUD Moderate Rehabilitation Program	Rehabilitation of Sec. 8 existing units	Make application	City Manager's Office/ Housing Authority		March, 1980
3.* Investigate State HOHI Program	Rehab and mortgage assistance	Make application	City Manager's Office Planning Department		March 1980
4.* Utilize self-help techniques in rehabilitation	Reduce rehab costs	Program modification	Rehab Office		Initiate February, 1980
5.* Solve neighborhood traffic impact	Proposed solutions in specified neighborhoods	Study and propose	Planning Department	HCDA	April-Dec. 1980
6.* Health & safety inspections on sale of residential	Correction of hazardous conditions	City Ordinance	Council	Cal. Tax Code, Sec. 17299 (p. 9)	September, 1980

RENTAL AND HOME OWNERSHIP ASSISTANCE

Action Program	Target Objective	Action Needed	Department	Program Funding	Time Frame
1.* Stimulate landlords to enter Sec. 8 program	75 additional units per year; rehab assistance as needed	Promotion of program	Housing Authority Rehab Office	Sec. 312 Sec. 8 HCDA	Ongoing
2.* Counsel renters on housing placement		Assign Staff	Housing Authority City Manager's Office		Ongoing
3.* Continuous update of HUD's Fair Market Rents			Housing Authority		Ongoing
4.* Institute Home ownership co-investment program	Co-investment in 25 homes	Program development	Planning Department	HCDA Bonds	July, 1980 June, 1981

* Indicates Committee Recommendations

Action Program	Target Objective	Action Needed	Department	Program Funding	Time Frame
5.* Explore issue of local bonds	Funding for Housing Action Program	Program development	City Manager's Office		February/April, 1980
6. Revise condominium conversion ordinance (see 2/14/80 Staff Report to Planning Board)	Guidelines for conversions	Zoning Ordinance amendment	Planning Board Council		February/April, 1980
7. Study cooperative conversion potential	Develop criteria & procedures for co-op conversions	Study	Planning Department	HCDA	March/June, 1980

NEW CONSTRUCTION

Action Program	Target Objective	Action Needed	Department	Program Funding	Time Frame
1.* Request developers for assistance with affordable housing construction	Affordable Housing	Negotiation with developers	Planning Department		February, 1980-on
2.* Provide incentives to builders of moderate income housing	Affordable Housing	Fund commitment; negotiation with developers	City Manager's Office Planning Department	HCDA Bonds	September, 1980-on
3.* Encourage conversion of under-utilized commercial space to housing	25 new units	Program development	Planning Department	HCDA Section 8	March, 1980 June, 1982
4.* Maintain inventory of vacant land	Annual update	Field survey	Planning Department		Ongoing
5.* Acquire control of land for affordable housing		Fund commitment; acquire land	City Manager's Office	HCDA Bonds	September, 1980 June, 1983
6. Encourage developers to provide new affordable housing		Zoning Ordinance Amendment	Planning Board/ Council		September, 1980-on

GOVERNMENT PROCESS

Action Program	Target Objective	Action Needed	Department	Program Funding	Time Frame
1.* Coordinate Staff review of development proposals	Improved communication; time reduction	Staff Assignment	Planning Department		March-June, 1980

* Indicates Committee Recommendations

Action Program	Target Objective	Action Needed	Department	Program Funding	Time Frame
2.* Simplify building permit forms and procedures	Time reduction	Efficiency study	City Manager's Office		July-December, 1980
3.* Pursue funding for Housing Action Program		Fund search	City Manager's Office/ Planning Department		Ongoing
4.* Encourage use of improved building technologies		Research & promotion of improved technologies	Building Department		Ongoing
5. Revise Housing Element by 9/1/84; annual addenda to Housing Element by January 1 (see memo 2/1/80 - Housing Element Update)	Continuous update	Staff Assignment	Planning Department	HCDA	Annual
6. Appoint ongoing Housing Advisory Committee (see memo 2/1/80, Housing Element Update)	Advise City Council	Appointment	Council		July, 1980-on

*Indicates Committee Recommendation

Program Implementation

The recommended City Housing Action Program includes three elements, in addition to the Section 8 rental assistance program, which would require substantial funding levels to implement. Primary responsibility for obtaining funding is with the City Manager's Office.

The City Rehabilitation Office has primary responsibility for implementing the ongoing rehabilitation program.

The proposed home ownership co-investment program and the provision of incentives to builders of moderate income housing are new program elements. The program development phase will attempt to identify feasible funding sources, program procedures and agency responsibilities for implementation.

Housing Element Update

- It is recommended that an ongoing Housing Advisory Committee be appointed to advise City Council at least annually on the effectiveness of housing programs, on new program development and on problem analysis based on new information from the U.S. Census and other sources as available. An annual addendum to the Housing Element document and a complete revision of the document by September 1, 1984 is recommended.

Implementation Strategies

This chapter describes the current housing program situation in Alameda and presents some of the possible actions, program approaches, and resources which may be applicable to the City's further attempts to alleviate its housing needs and further the housing goals and policies recommended by the Housing Element Advisory Committee.

Possible actions are listed in each of six areas. Actions are of two sorts, those which could be done by the City without the use of Federal and State programs, and those which require financial support from other levels of government. In light of the rising costs and shrinking resources for housing, it is recognized that at best, the City has limited control over the situation.

Recommendations for a Housing Action Program are discussed separately in the preceding chapter.

Rehabilitation

The ongoing City rehabilitation program funded through HCDA is directed at improving housing conditions of lower income owners and renters without unduly increasing housing costs. As of July 1979, \$105,000 in below market interest loans had been generated for 13 households who could not qualify for commercial home improvement loans. Interest subsidies to the Security Pacific Bank range from 3% to 8% below market depending on the size and income of the applicant household. In addition to HCDA subsidized loans, staff is currently administering loans under the Federal Section 312 program which provides subsidized loans to low and moderate income households, but does not provide administrative funds to the City. The rehabilitation of 13 units in the first year of operation is comparable to that of many HCDA cities in the first year of such a program.

HCDA funds have provided support for the rehabilitation program to date. However, HCDA funds from the third program year (1977-78) are fast running out. The fourth and fifth year



applications for this program have been disapproved by HUD on the basis of lack of performance and inappropriate goals and strategies to meet housing needs identified in the City's Housing Assistance Plan (HAP). The primary gap according to HUD, is the City's inability to alleviate housing needs of lower income families who are renters, both through construction of new units and through leasing additional existing units under the Section 8 program.

Should the HCDA program be finally cut off in Alameda, the City's rehabilitation program must find other sources of funds for both administrative and program subsidies if it is to continue operations.

Some possible options include:

- *City Funding* of rehabilitation staff from local resources to administer subsidized rehabilitation program monies from other sources.

- *Section 312* rehabilitation loan money is available at 3% interest to lower and moderate income owners and landlords with lower and moderate income tenants. Loans up to \$27,000 a unit can be used to renovate owner-occupied and investor-owned property—both residential and commercial. Owners with excess expense for housing may use up to 80% of the loan to refinance existing debts. Section 312 is the only source, other than HCDA funds, immediately available for rehabilitation and has the added advantage of higher loan limits and lower interest rates than the City's current program. However, it does not provide administrative funds. The City's role is to provide staff to administer the program, do the loan paperwork, appraise the properties and to work with owners as needed to contract the work. HCDA funds have been the usual funding source for many cities rehabilitation programs in the initial years of these programs, however, some cities now have in-house staff.
- *HUD's Moderate Rehabilitation Program* is aimed at rehabilitating lower income rental units currently in the Section 8 rental supplement program. Administrative monies under this program are limited to about \$500 a unit which would cover only part of the actual cost for moderate rehabilitation through the Housing Rehabilitation Office.
- *California Housing Finance Agency's Home Ownership-Home Improvement Program (HOHI)* provides loans approximately 2% under market rates to moderate income households for purchase, rehabilitation and refinancing of homes in selected areas which are traditionally short of conventional mortgage money. Alameda applied for the HOHI program and was turned down in 1978 for the stated reasons that there was a lack of commitment on the part of the City to the rehabilitation program and to public improvements in the selected area, that the City's track record in rehabilitation was not sufficiently established, and that the area selected was too large and inappropriately zoned. The City could reapply for the HOHI program in 1980 if at that time, the rehabilitation program is continuing. Reapplication would entail selecting a suitable target area and commitment of public improvement monies to the area on some priority basis.

This fits in with the recommended policy of giving priority for public improvements to deficient areas as well as with the policy of promoting home ownership opportunities, in this case for middle income households.

- *Section 8 Substantial Rehabilitation Program.* This HUD program provides mortgage loans at 7% interest on a competitive basis to rehabilitators of rental properties. Currently, an application is in process for 40 units for senior citizens in the Alameda Apartments. Other rental properties in the City are possible candidates for this financing. In addition, the proposed conversion of underused second story commercial space to rental units might come under Section 8 program guidelines. With some staff outreach on the part of the City, it may be possible to promote more use of this program.
- *California Revenue and Taxation Code, Section 17299.* The Legislature, in enacting this State law several years ago, recognized that there are tax advantages in many rental housing ownership situations, and that such tax advantages can be a motivating force for the maintenance of standard housing. Thus, the law provides that if the owner of rental property which is substandard in condition fails to correct cited deficiencies, the locality in which the property is located can petition the State Board of Equalization for removal of depreciation and certain other expenses from the property owner's income tax return. Additionally, monies are returned to the locality from the State, which can be used to offset the costs of this type of enforcement program. As an essentially self-supporting technique, this is one which could be very seriously considered as a means of conserving the quality of rental housing within the City.
- *Current Information on the Conditions of Alameda's Housing Stock* is based on calculations from the 1970 Census, and on the accumulated experience of the City Rehabilitation Office. The 1980 Census will not include information on housing condition. It is recommended that systematic information on the condition of housing be compiled, particularly in areas with concentrations of older housing.

Neighborhood Preservation

Goals and policies in this area speak to the preservation and upgrading of the physical and social structure of neighborhoods, particularly those with historic value and those areas deficient in amenities such as public parks and playgrounds.

Currently a survey of historic buildings and areas is underway, funded through the State Department of Parks and Public Resources. This will result in a Historic Preservation Element of the General Plan that designates historic districts and individual landmarks where local review would monitor building renovations in order to maintain historical and architectural integrity.

A target area for public improvement priority has been identified on the basis of 1970 Census information on the concentration of substandard housing, lower income and minority people. It is in the North and West portions of the City in Census Tracts 4272, 4273, 4276, 4280.

Design review procedures have been applied on an ongoing basis to new residential and mixed neighborhoods. This becomes a staff function when the Design Review Board ceases operation.

Further actions possible include:

- Completion of the *Historic Preservation Element* of the General Plan
- Study and alleviation of *traffic impact* on specified residential neighborhoods.

Home Ownership Opportunities

The promotion of home ownership has been a concern of the City in the past, and as a program area is essentially a new emphasis. The purpose is to make home ownership possible primarily for middle income renters who would not qualify for conventional home financing. The Cal-Vet and Veterans Administration programs are examples on the State and Federal levels of this approach.

Some of the possible approaches that the City could consider include the options discussed in the sections on rehabilitation and new construction; incentives to developers, the use of

Section 235 financing, resale controls, and the reapplication for State below market mortgage financing through the HOHI program. In addition, the following suggestions could be considered.

- *Home Ownership Co-Investment* is a concept being developed on the State level that deserves close attention in Alameda because of its relevance to an identified need, that of would-be home purchasers, and its feasibility in the current local housing market. Basically, public or private funds would be co-invested with those of a moderate income family to purchase a home. Payment on co-invested funds would be deferred until the house is sold, at which time the family and the co-investor would share the equity appreciation.

Funding could come from bond financing, pension funds, surplus land, HCDA if available, State demonstration programs, lending institutions pool, unions, church groups, etc.

- *Mortgage Backed Revenue Bonds* are a potential funding source for home ownership co-investment and mortgage purchase for moderate income households. Local housing bond issues have been used in many cities as a funding source for housing programs to further local housing policy. There is federal legislation pending which would eliminate or limit cities' authority in the issue and use of such bonds. However, the advantages are considerable. Local bonds are available currently at approximately 7% interest. There are several ways to accomplish bond issue, each of which would be explored by City staff. Housing Authorities can issue bonds to provide mortgage purchase funds and to finance new construction of housing for lower or mixed income households. Article 34 requirements would not apply if housing is designed for eventual home ownership. Housing Corporations can also be set up to issue bonds.
- *Cooperative Ownership* and rehabilitation of an apartment building suitable for families. This program has several objectives; promotion of home ownership, rehabilitation, and maintaining affordability of units. The main advantage of cooperative ownership, in addition to homeowners' tax advantages and equity appreciation, is the stabilizing of

mortgage payments and taxes over the entire loan term, due to the fact that the mortgage is held by the cooperative rather than by individual households. A recent ruling by the Federal Home Loan Bank Board makes cooperative ownership financing easier through Savings and Loan Associations. An alternate scheme for slightly lower income families is a limited equity cooperative, whereby annual return on investment would be limited to 10%.

- Investigate the feasibility of a *Home Purchase Program* whereby tax default homes would be purchased by the City or the Housing Corporation for resale to lower income families. Several houses become available each year for relatively low prices because of the tax default. This program would investigate means for resale. Resale controls would be explored in connection with this program.

Rental Housing

The Alameda Housing Authority administers a total of 800 lower income rental units, 439 of which are private units throughout the City leased under the Section 8 existing program. This program is the major ongoing source of aid for renter families in the City. However, its effectiveness is hampered by lack of sufficient units which rent for under the Fair Market Rents set by HUD. Three and four bedroom units in particular are in short supply. The goal of an additional 75 units a year for the next three years would require active solicitation of landlords to enter the program and, ideally, construction or conversion of some new three and four bedroom units.

Counseling of lower income renters seeking housing is currently a minimal activity of City and Housing Authority staff. Increased accessibility to current housing placement information for families eligible for Section 8 assistance is suggested.

It is suggested that the Section 8 rental supplement program be expanded by at least 75 units a year for the next few years, and that an active outreach program to landlords be emphasized by the City and the Housing Authority. Rehabilitation financing could be provided for incentives to the extent available through the Rehabilitation Office.

New Construction

New construction of housing units affordable to lower and middle income families in Alameda since 1970 has been almost totally under the auspices of the Alameda Housing Authority. A total of 238 new units were constructed in the mid-decade, and another 50 units are in the final plan stages at the Parrott Street site. There is an application for an additional 42 units of public housing currently being reviewed by HUD. If this application is approved, the total number of public units by the end of 1980 (330 units) would replace on a one for one basis the Makassar units which were occupied in 1970, and which are slated for demolition by the end of 1980. With the exception of the Buena Vista Apartments built in 1965, there has been little or no new construction by the private sector, with or without favorable government financing, of units affordable to lower and middle income families. Given current construction cost and interest rates some sort of government incentive seems to be necessary to build affordable units.

The need for new affordable units to replace demolitions and to provide for larger families, both renters and home purchasers, has long been a need in Alameda.

In March of 1979, voters turned down a ballot measure that would have approved construction of 50 to 100 rental units on a specific site in the west end of the City. The strategy then was shifted to stimulating construction of new owner-occupied units on scattered sites throughout the City. The feasibility of this strategy is largely dependent on substantial public subsidies for assistance with land costs, site improvements, fee waivers and the like. There are some options which the City could consider at this time.

- *Requesting developers* of new housing in Alameda to assist in the process of building affordable units on scattered sites throughout the City.
- *Requiring developers* of new housing to provide a percentage of units at prices affordable to lower and middle income people. This requirement could be made contingent on available financing.
- *Identify potential sites* for housing production.

- *Acquire control of appropriate land* scattered throughout the City which, in combination with appropriate land currently owned by the City, would be sufficient for construction of at least 75 units of affordable housing in the next three years.
- *Provide financial and other incentives* to developers for lower and moderate income housing construction.

Some examples of incentives that can be considered by the City are:

- Financial assistance with land, site improvements.
- Reduce or waive City fees for lower income housing.
- Density increases, consistent with Measure A, in certain cases.
- Reduction of parking requirements for lower income and elderly households.
- Encourage smaller efficient units.
- Reduced private open space requirements for units located adjacent to public open space.
- Assist owners with government paperwork.
- Give priority in City processing.
- Encourage use of five-year depreciation for lower income rentals. (Section 167(K))
- Maintain inventory of suitable vacant land.

Section 235. It is proposed that the Federal Home Ownership Program be examined for feasibility in connection with the newly constructed homes in order to reduce costs to the home purchaser. The major advantage of this program is the 5% interest rate. However, HUD program limitations on selling prices and loans make feasibility questionable and probably impossible without the use of substantial public investment.

- *Develop resale controls* in connection with construction of affordable housing so that the new units would remain affordable to lower and middle income people as they are

sold. This could be done in a number of ways such as deed restrictions limiting increase of sales prices to a Cost of Living index, as is being done in Palo Alto.

- *Encourage the conversion* of underused commercial space to rental housing units as feasible.
- Encourage the conversion of schools proposed for closing to housing or mixed use. This would require an amendment to Measure A.
- Encourage the use of *self help techniques* in new construction and in rehabilitation in order to reduce housing costs.

Government Process

There are two reasons for action in this area:

- To maximize the use of State and Federal programs by active grantsmanship on the part of the City, and
- To identify changes in the development process which would effectively reduce housing cost without substantially reducing its quality.

Government process requirements coming from all levels of government have increased sharply in the past ten years in conjunction with environmental protection and energy conservative concerns. An estimate has been made on the Statewide level that housing costs are increased by 1% to 1.5% for each month of delay in the processing time. Though local government has little control over State and Federal regulations, it should be noted that some of the Statewide requirements for energy conservation measures seem to be excessive for the benefits received in areas like the Bay Area, with moderate year round temperatures.

The City has managed to reduce substantially the time required for processing residential development under the mandate of State AB884. Further actions which the City could take to help reduce process time and housing costs are in several areas.

- *Reduce local process time* required for approval of residential construction by integrating City staff review

and communication with builders early in the process. Development proposals, including preliminary site plans and elevations, could be reviewed for design features, site layout and zoning before the tentative map is considered by the Planning Board.

- *Publish application procedures* and materials required from builders and developers.
- *Eliminate preliminary plan review* by the Planning Board.
- *Priority processing* for lower and middle income housing.
- *Review Building Department forms* and procedures to reduce time required to process building permits.
- Explore the use of *alternate building materials* for new construction and rehabilitation.



People and Housing

Overview

The purpose of this section is to identify and assess the nature and extent of housing needs of people who currently live in Alameda and of those who are expected to reside in the City by 1984. The most current information on Alameda's people, housing inventory, and unmet housing needs comes from the 1970 Census, and from estimates compiled annually by the State Department of Finance. Changes since 1970 are discussed in terms of trends in certain indicators, such as growth rate of the population, incomes, housing cost, and the type and costs of housing being built in the City.

The basic approach used in this report is to view housing needs primarily in terms of *choice*, *condition*, and *affordability*. In order for people to have choice in the type of housing and living environment that is suitable for their lifestyle and family size, it is necessary that the total supply of housing include a wide variety of types, styles, sizes, costs, locations, and environments for both owner and renter households, and a reasonable number of vacant units available for sale or for rent.

A reasonable vacancy rate is assumed to be one in which the number of vacant units available for sale or rent equals the number of moves made within the market area over a one to two month period. Vacancy rates of 5% for rental housing and 1% for owner-occupied housing should provide adequate overall choice for households seeking a change in housing, depending on condition and price of the vacant units.

The problem of affordability—of people being unable to afford housing that otherwise meets their needs—is all too well known by many families and well documented in numerous reports. It is a problem that is worsening with recent rapid escalation of housing costs. Bay Area housing costs have increased two to three times as fast as incomes in the past ten years and in the last four years costs have increased from 50% to 100% compared with an estimated 30% increase in incomes.

What is a reasonable portion of income to be spent for housing that would still leave enough for other needs? A complete

analysis would assign various proportions of income to housing for various types of households depending on their other needs. Traditional lending wisdom employs the rule of thumb that up to 25% of income spent on housing is “affordable.” Available data shows that a large proportion of the housing market in fact spends less than 25% on housing, while another sizeable proportion of households spend considerably more than 25%. Some expend more than 50% of their income on housing. In general, the lower one’s income is, the more likely one is to be spending a high proportion for housing. Lower income people are the ones who are most likely, by any standards, to be overpaying because housing that is affordable to these people does not exist in sufficient quantities.*

By looking at information on family budgets and costs of other necessities, it becomes clear that lower income people paying over 25% of their income for housing may be doing so at the expense of other necessities. Middle and upper income people, on the other hand, could probably afford 25% or more of their income for housing. Federal lending institutions currently use 28% of income for housing and 36% for housing and installment payments as a guide for making home loans. These figures have recently been increased by 3%. Thus, the answer to what is affordable largely depends on how much income one receives.

For the purpose of this report, in order to be consistent with current Federal and State definitions, overpaying among lower income households is defined as paying 25% or more of income for housing. Housing assistance need among middle income households is in the area of home purchase and thus is defined as households who would not qualify for a loan according to lender policies.

**In this report, households and their housing needs are discussed in terms of three main income groups:*

- *lower income—under 80% of SMSA median family income (currently \$16,000 for a family of four)*
- *middle income—80% to 120% (\$16,000 to \$24,000)*
- *upper income—over 120% (over \$24,000)*

“Very low income” refers to the subgroup of households with incomes under 50% of the area’s median (\$10,000)

“Moderate income” includes incomes up to 95% (\$19,000)

Regional Context

Alameda is located in Northern Alameda County adjacent to Oakland. As an island city mostly developed long ago, Alameda shares certain attributes with older central cities in the county and the Bay Area, and is similar in other ways to suburban communities.

In order to understand Alameda’s housing situation relative to the Bay Area, it is important to look at trends in population, housing, jobs, income levels and relative age of the housing stock.

Trends and projections for the region as a whole* indicate net immigration increasing from the recent rate of 25,000 to 35,000 annually which, coupled with declining fertility rates and smaller households, translates to a modest 1% average annual population growth, and 1.8% annual household increase to the end of the century. The increase, particularly for the affluent population, will be concentrated in outlying areas where there is still vacant residential land. This distribution is somewhat countered by infill, higher densities, and the move back to the cities by some middle income households. Mid-decade census figures for the region, however, indicate a widening separation by income in the early part of the decade and this is projected to continue.

Alameda is considerably more stable than the region as a whole. The total increase in population since 1970 is estimated as 2% and population at buildout is projected at under 80,000 people.

Income levels in the City have traditionally lagged behind the region and from 1969 to 1977 the gap has widened. Regional incomes increased by 56% in this period compared with a 51% increase in Alameda. Income distribution in the City may come closer to regional distribution during the next ten years, due to the expensive new housing being built on Bay Farm Island and elsewhere.

Regional jobs are projected to increase at about the same rate as households, with the new jobs continuing to be concentrated in established employment centers around the region and thus inter-county commuting is expected to increase. The ratio of

**Projections 79, ABAG*

TABLE 1 ALAMEDA HOUSEHOLDS AND HOUSING UNITS

	1970 Census	1978 Dept of Finance	1979 Dept of Finance	1980	Projections 1984	Build Out
Population	70,968	75,169	72,404	72,315		79,773
Group Quarters	7,210	10,470	8,320	8,434 ***		10,123 ***
Household Population	63,758	64,699	64,084	63,880	67,448	69,650
Persons/Household	2.7	2.46	2.44	2.38	2.3	2.3
Households	23,633	26,261	26,264	26,840	29,325	30,283
Owner Occupied	9,043		10,575 *	11,218	13,472	14,348
Percent Owned	38.3 %		40.3 %	41.8 %	45.8 %	47.4 %
Renter Occupied	14,590		15,689 *	15,622	15,853	15,935
Vacancy Rate	4.3 %	3.6 %	3.9 %	3.9 %	3.9 %	3.9 %
Total Vacant	1,059	981	1,069	1,090	1,190	1,230
Vacant Available	792	709	793	810	885	915
For Sale	77	69	190 **			
For Rent	715	640	603			
Total Housing Units	24,692	27,242	27,333	27,930	30,515	31,513

*Additions since 1970 include an estimated 500 condominium owner units converted from rental in the early part of the decade, and 340 purpose built condominiums. Remaining occupied units assumed at 38.3% ownership.

**Assume that 124 of the vacant units were for sale on Harbor Bay Isle.

***Group quarters population as projected by ABAG's demographic model in Projections '79.

jobs to housing is projected to drop significantly in counties such as Contra Costa, Marin, Sonoma and Solano, which currently experience significant out commuting. Alameda County's job-housing ratio is expected to remain quite stable. The City's ratio, however, is projected to decline somewhat so that in 1990 the number of jobs in the City would be about 80% of the number of households. These projections are based on a 1976 ABAG review of local land use policies and so could change somewhat if City policies shift.

The age of the housing inventory is of particular importance in designing appropriate housing programs.

Older housing typically requires more maintenance and major repairs. It also is a resource for lower income households. Between 1970 and 1975 the proportion of units built prior to 1949 declined both in the region (44.8% to 37.6%) and in Alameda (58.2% to 51.1%). Alameda's proportion of older stock is also somewhat greater than that in the County as a whole. With over half of the housing stock at least thirty years old, and land for new building in very limited supply, rehabilitation becomes a high priority.

Current Population and Households

Perhaps the most notable fact about the Alameda population is its stability. Since 1970, the population has increased by less than 1500 persons—an annual growth rate of less than one-fourth of one percent. (Table 1) The increase in population is due to natural increase rather than from new people moving into the City. In fact, there was a net outmigration of some 1600 people from 1970 to 1977. (Table 2) The number of households, however, is estimated to have increased by over 11% in the nine years.

Current households are presented with 1970 proportions. The readers should be warned this probably underestimates the number of single and two person households and, perhaps, the numbers of elderly people.

Alameda, like the rest of the region, is assumed to have more smaller households each year with increased independence of single persons, declining birth rates, and perhaps an older population. The City's population aged slightly from 1960 to 1970. Since 1970 there may have been a decrease in the proportions of elderly in the central cities of Northern Alameda County, according to County estimates. In the City itself the proportions are assumed to remain stable or to have increased slightly since 1970.

TABLE 2 POPULATION SHIFTS IN ALAMEDA — 1970-1977

	City	County
Percent Change	2.4%	2.6%
Total Change	1,732	27,916
Natural Increase 1970-1976		
Births over Deaths	3,359	44,206
Net Outmigration	1,627	16,290
% of Population	2.3%	1.5%
1970 Population (Census)	70,968	1,073,184
January 1, 1977 Population (Department of Finance)	72,700	1,101,000

**TABLE 3 POPULATION AGE GROUPS
IN ALAMEDA**

(1970 Census Proportions)	
Under 20	32.3%
20-24	14.6%
25-34	14.5%
35-44	10.4%
45-54	11.2%
55-64	8.2%
65-74	5.1%
75 or over	3.6%
TOTAL	100.0%

Changes in income levels may have occurred since 1970 due to several factors discussed below. However, given the stability of the population and lack of current data, it is reasonable as well as expedient to assume that income groups are in the same proportions now as in 1970.

An aging population, many on fixed incomes, and more small households may have resulted in more lower income households. Countering this is an increase in the number of women in the workforce and in two worker households.

Alameda's lower income households made up 43% of the 1970 total, compared with 35% of the regional total. Elsewhere in the Bay Area there are indications from the mid-decade census, that

**TABLE 4 HOUSEHOLD ETHNICITY - 1970
CHANGE IN STUDENT ETHNICITY 1971 - 1979**

Ethnicity	1970 Households	Change in Student Ethnicity 1971-1979
White	85.6%	-3721
Black & other	1.5%	+ 11
Asian	4.6%	+1222
Hispanic	8.3%	- 267
Total	100%	-2728

**TABLE 5 INCOME OF HOUSEHOLDS BY TENURE AND SIZE
IN ALAMEDA - 1979
(1970 CENSUS PROPORTIONS)**

Owner Households Size	Very Low Under \$10,000		Lower \$10,000 - \$16,000		Middle \$16,000 - \$24,000		Upper \$24,000 or more		Total
1	900		303		270		339		1812
2	583		479		603		2200		3865
3-4	279		277		847		1902		3315
5	34		92		311		401		838
6+	<u>65</u>		<u>153</u>		<u>230</u>		<u>297</u>		<u>745</u>
Totals	1861	(18%)	1314	(12%)	2261	(21%)	5139	(49%)	10,575
Renter Households									
Size									
1	1437		725		819		1068		4049
2	1092		1014		951		1960		5017
3-4	984		1631		1233		975		4823
5	177		494		210		89		970
6+	<u>152</u>		<u>411</u>		<u>201</u>		<u>66</u>		<u>830</u>
Totals	3842	(24%)	4275	(28%)	3414	(22%)	4158	(26%)	15,689
All Households									
Size									
1	2337		1028		1089		1407		5861
2	1675		1493		1554		3960		8882
3-4	1263		1918		2080		2877		8138
5	201		596		521		490		1808
6+	<u>217</u>		<u>564</u>		<u>431</u>		<u>363</u>		<u>1575</u>
Totals	5703	(22%)	5589	(21%)	5675	(22%)	9297	(35%)	26,264

*Income ranges as percent of SMSA median family income adjusted for household size (1979 SMSA median family income - \$19,900)

Lower Income - less than 80% (\$9950 to \$15,920 for family of four)

Middle Income - 80% to 120% (\$15,920 to \$23,880)

Upper Income - over 120% (over \$23,880)

the 1970's have brought increased separation of income groups. Older cities, such as Alameda, that had more lower income people at the beginning of the decade had even more in 1975 and suburban cities, where substantial construction has taken place, had a smaller proportion of lower income people in 1975 than in 1970. In areas of high construction activity and high housing market prices for existing housing, lower and some middle income people tend to get squeezed out into lower priced areas, required to pay more for housing or double up in order to remain in their community.

Given the high cost of new homes now expected in the City and the relative increases in values of existing homes, the squeeze out factor is likely to happen more in Alameda the next five to ten years.

The ethnic make-up of the City has changed little since 1970 with the exception of an influx of families from Asian countries, Filipino families in particular. Public school enrollment information indicates an increase of some 1,222 Asian students and a decrease of over 3,700 white students since 1971. (Table 4) The decrease in white students may reflect smaller families, more private school students, and some out-migration of families with school age children.

Home ownership is a way of life for approximately 40% of the households, while 60% are renters. The home ownership ratio is assumed to have increased slightly since 1970 due to condominium conversions and other market factors. The figure of 10,575 home owners was arrived at by assuming that 38.3% ownership ratio in 1970 held in 1979 with the exception of 840 condominium units built or converted in the interim. Other methodologies yield slightly different numbers. For example, the total number of homeowner exemptions in 1979 is estimated from City and County data to be 10,555 excluding about 100 boat residents. Renters are more likely to be in the lower income group—(52%)—while owners tend to be more concentrated in the upper income group (49%). Approximately 22% of both owners and renters are in the middle income group (Table 5). More than three-quarters of the households headed by younger women and single men are renters—compared with 60% citywide. Male-headed families, on the other hand, especially large families, with middle and upper incomes, are more likely to be homeowners than the citywide ratio.

Renters are considerably more likely to be lower income than are owners and, among renters, large families and women heading families are much more likely to be lower income than are renters in general. Among owners, single men and all women are likely to be lower income than are other men.

Estimates of the handicapped population came from a 1978 survey report.* Slightly over half of the estimated 4000 handicapped persons in the City are elderly. There is no further detail of who the handicapped are; however, one out of five indicated that they have a housing problem.

There are approximately 4500 elderly households in the City, almost half of whom are single people (Tables 6 & 7).

The City's elderly population may have increased slightly since 1970 with natural aging of a stable population and very little immigration. Close to two-thirds are owners, many living in older housing they have occupied for many years.

There are over three times as many single elderly women as men, and these women are more likely to be owners (56%) than are the single men (35%) and less likely than elderly families (73%). Whether owners or renters, elderly households, many of whom live on fixed incomes, are disproportionately lower income. Some 70% of the total have incomes of under \$12,700 for two people or under \$10,000 for a single person which is defined as lower income on current income scales. For people in good health who own their homes with little or no mortgage these levels may be adequate. However, for people who pay rent or high mortgage payments and in addition have unusual medical expenses, lower income means hardship for elderly people.

Among younger households, two-thirds are small families of two to four persons and the rest are evenly divided between single persons and large families. (Tables 6 & 8)

In 1970 approximately 17% of the younger households were single people living alone. Singles may have increased in the 1970's to the extent that Alameda conformed to regional and national trends. Singles of all ages comprised 22% of Alameda's

*Handicapped Survey Report, City of Alameda. Memo to Social Service Human Relations Board, from Paul Marangella July, 1978.

**TABLE 6 INCOME OF HOUSEHOLD BY TENURE AND TYPE IN ALAMEDA - 1979
(1970 PROPORTIONS)**

	Very Low Under \$10,000	Lower \$10,000-\$16,000	Middle \$16,000-\$24,000	Upper \$24,000 or more	Total
Owners					
Elderly, single or couple	1,190	652	259	710	2,811
Small family, 1-4 persons	572	417	1,461	3,731	6,181
Large family, 5 or more	99	245	541	698	1,583
Total	1,861	1,314	2,261	5,139	10,575
Renters					
Elderly, single or couple	815	484	142	242	1,683
Small family, 1-4 persons	2,698	2,886	2,861	3,761	12,206
Large family, 5 or more	329	905	411	511	1,800
Total	3,842	4,275	3,414	4,158	15,689
All Households					
Elderly, single or couple	2,005	1,136	401	952	4,494
Small family, 1-4 persons	3,270	3,303	4,322	7,492	18,387
Large family, 5 or more	428	1,150	952	853	3,383
Total	5,703	5,589	5,675	9,297	26,264

households in 1970. Nationally, the new households being formed are disproportionately singles. The real estate and home construction industries are recognizing this group of primarily young people who marry and have children later and tend to gravitate to older central cities. Looking ahead, on the national level the proportion of singles is expected to increase from 20% currently to 30% in the 1980s.

The probability of being a renter varies considerably among younger households with single people and women are most likely to be renters.

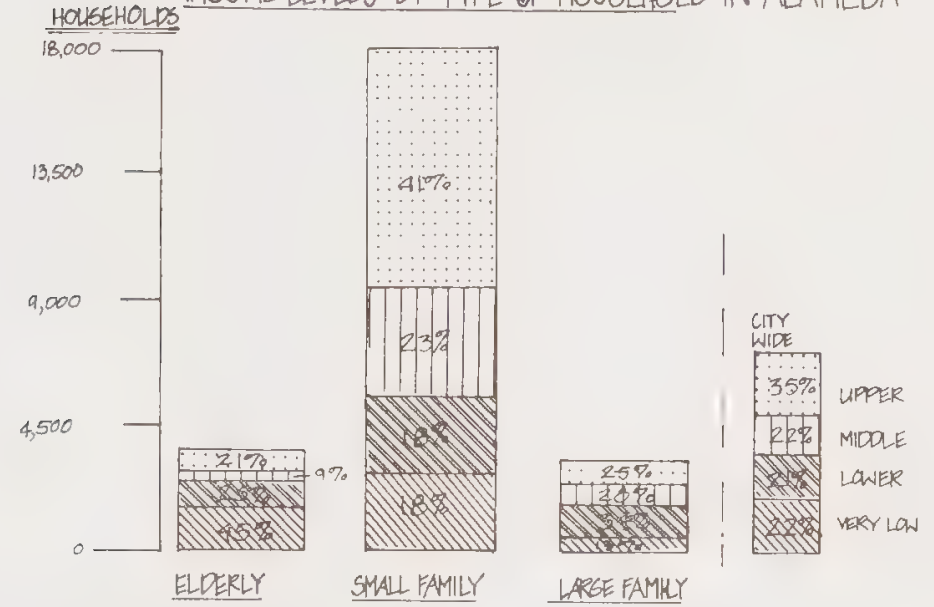


FIG 1
INCOME LEVELS BY TENURE IN ALAMEDA



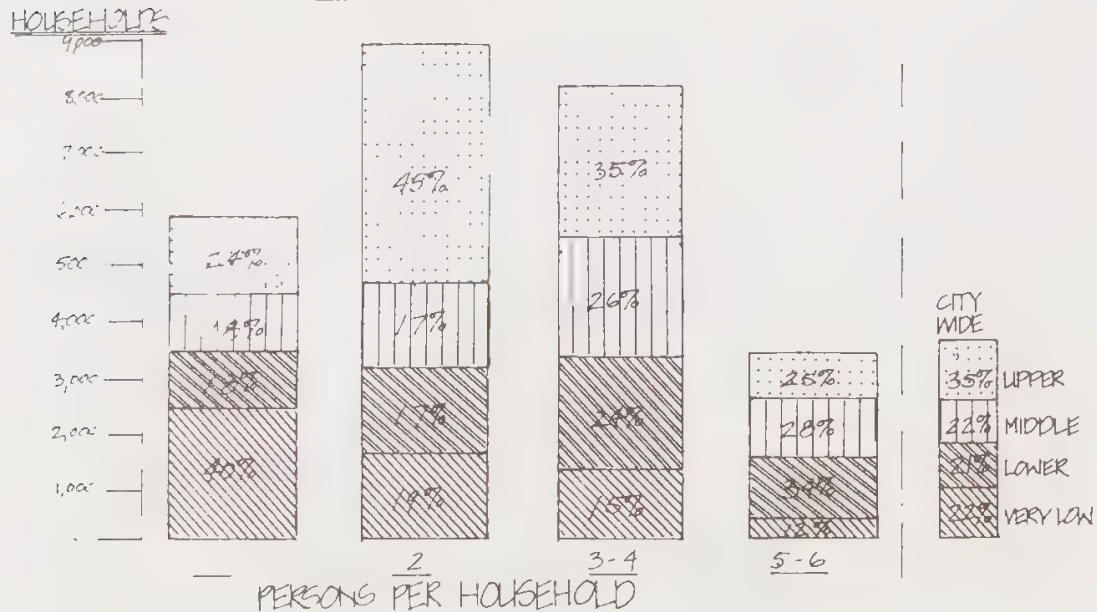
SOURCE U.S. CENSUS 1970

FIG. 3
INCOME LEVELS BY TYPE OF HOUSEHOLD IN ALAMEDA



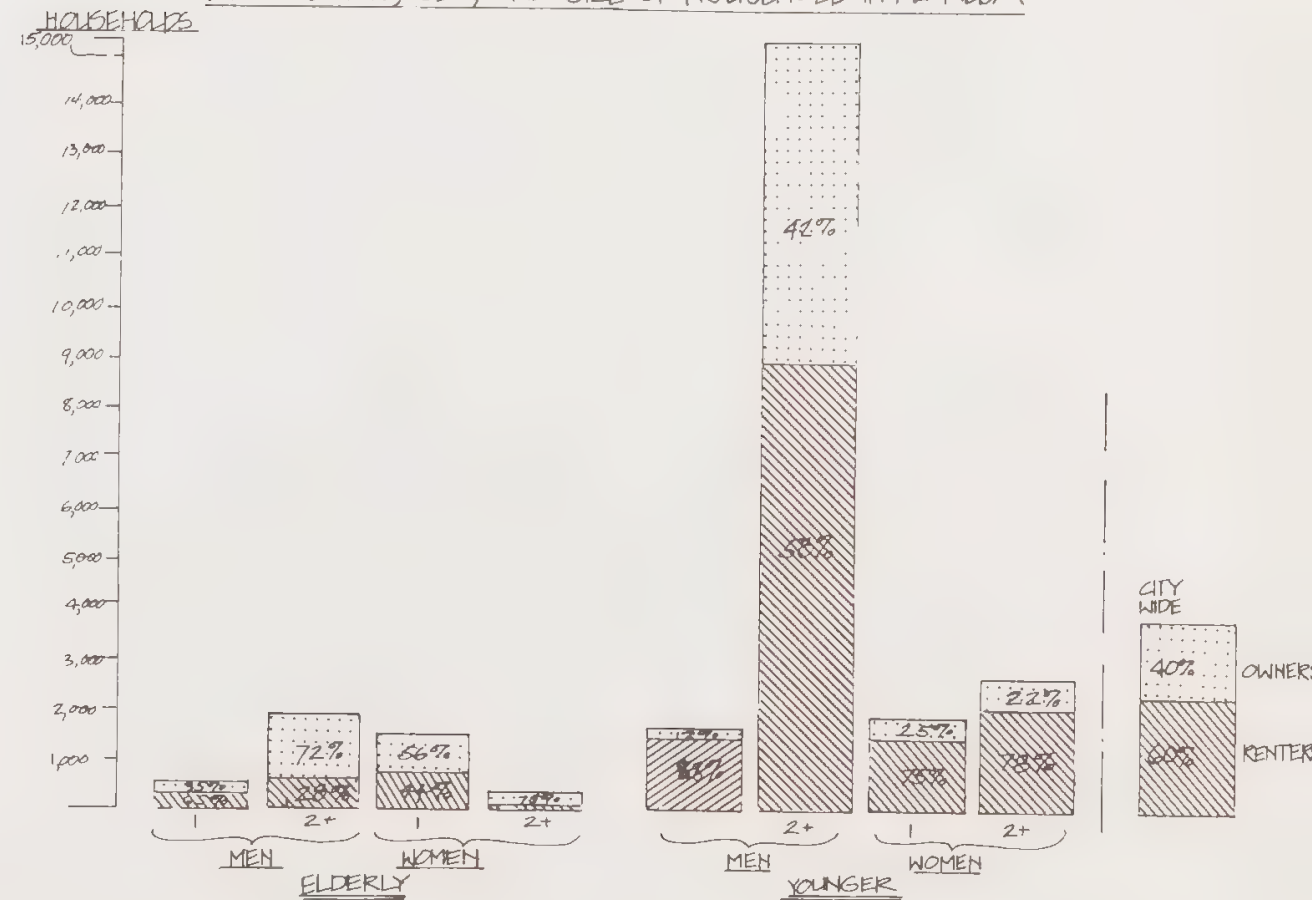
SOURCE: U.S. CENSUS 1970

FIG. 2
INCOME LEVELS BY SIZE OF HOUSEHOLD
IN ALAMEDA



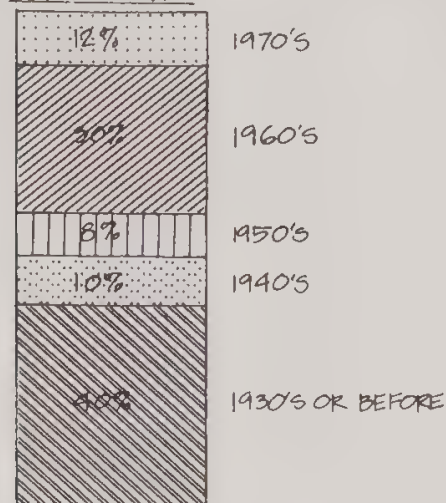
SOURCE U.S. CENSUS 1970

FIG 4
TENURE BY AGE, SEX, AND SIZE OF HOUSEHOLD IN ALAMEDA



SOURCE U.S. CENSUS 1970

FIG. 5
AGE OF HOUSING INVENTORY
IN ALAMEDA



SOURCE: U.S. CENSUS 1970,
ALAMEDA BUILDING PERMITS



TABLE 7 ELDERLY HOUSEHOLDS BY TENURE, SIZE, SEX
(% LOWER INCOME) IN ALAMEDA
(1970 CENSUS PROPORTIONS)

Households	Owner	Renter	Total
Male			
Single Person	181	329	510
2 or More Persons	<u>1428</u> (53%)	<u>542</u> (66%)	<u>1970</u> (56%)
Totals	1609	871	2480
Female			
Single Persons	933	723	1658
2 or More Persons	<u>269</u> (62%)	<u>89</u> (85%)	<u>358</u> (68%)
Totals	1202	812	2014
Single Persons	1114 (83%)	1051 (86%)	2165 (84%)
TOTALS	2811 (65%)	1683 (79%)	4494 (71%)

TABLE 8 YOUNGER HOUSEHOLDS BY TENURE, SIZE, SEX
(% LOWER INCOME) IN ALAMEDA
(1970 CENSUS PROPORTIONS)

Households	Owner	Renter	Total
Male			
Single Persons	196	1489	1685
2 or More Persons	<u>6440</u> (12%)	<u>8860</u> (43%)	<u>15,985</u> (30%)
Totals	6636	10,349	16,985
Female			
Single Persons	508	1506	2014
2 or More Persons	<u>620</u> (48%)	<u>2151</u> (79%)	<u>2771</u> (72%)
Totals	1128	3657	4785
Single Persons	704 (41%)	2995 (42%)	3699 (42%)
TOTALS	7764 (17%)	14,006 (49%)	21,770 (38%)

TABLE 9 HOUSING INVENTORY - UNIT SIZES

Size	Number	Percent
Studio &		
1 Bedroom	7440	27.2%
2 Bedrooms	10740	39.3%
3 Bedrooms	6640	24.3%
4 Bedrooms	<u>2510</u>	<u>9.2%</u>
Total	27330	100%

TABLE 10 CONDITION OF HOUSING - 1970
ALAMEDA AND NEIGHBORING AREAS

	Total Units	Total Units Lacking Plumbing	Other Dilapidated	% of Stock
Alameda	9,043	69	48	1.5%
Owner Occupied				
Renter Occupied	14,590	229	497	5.0%
Vacant available	<u>792</u>	<u>17</u>	<u>48</u>	<u>8.2%</u>
Total Units	24,692	315	593	3.7%
Contra Costa County				2.9%
Concord				1.9%
Berkeley				6.8%
San Francisco				7.7%

Source: **Plumbing Facilities and Estimates of Dilapidated Housing**, U.S. Department of Commerce; Bureau of the Census, HC(6).

TABLE 11 RESIDENTIAL REPAIRS AND ALTERATIONS - 1970s

Year	Permits	(\$000)	Average Cost	Construction Increase from 1970	Change in Average Rehabilitation Investment since 1970
1970	762	\$ 951	\$12,500		
1971	813	1041	12,800		
1972	726	882	12,100		
1973	789	1147	14,500		
1974	895	1264	14,100		
1975	809	1471	18,200	53%	\$ --925
1976	826	1793	21,700	69%	\$ 575
1977	851	2741	32,200	91%	\$ 8325
1978	864	2311	26,700	114%	\$ --50

Source: Alameda Building Permits

Housing Inventory

Alameda's housing stock is old, relatively solid and well maintained. It is a valuable resource to the City, well worth maintaining, improving and, in some cases, adding or rearranging space to meet the changing needs of the City's families. It is, in fact, the major resource for newly forming families in Alameda to the extent that they can afford to live in the City.

Somewhat more than half of the units are single family houses or duplex units, 8% duplex units, another 12% in small apartment and condominium buildings. (Table 12) These are about the same proportions as in 1970, with apartment construction in the early years balanced by proportionately more single family homes built in the past five years.

Unit sizes are shifting upwards with larger homes now being built. The most common size unit (40%) has two bedrooms. One-bedroom and studio units comprise 27% and three bedroom units around 24% of the stock. Homes with four or more bedrooms are much less prevalent (9%).

Age and Condition

About half of the City's housing was built at least 30 years ago, prior to 1950 (Figure 6). The 1950's vintage housing accounts for

TABLE 12 NEW RESIDENTIAL CONSTRUCTION BY TYPE IN ALAMEDA - 1970s
NET ADDED (DEMOLITION)

	Single		Duplex		3-4 Units		Apartments 5+		Total	
	Net	Demolitions	Net	Demolitions	Net	Demolitions	Net	Demolitions	Net	Demolitions
1970	195	(34)	6	(4)	57	(4)	220	(20)	478	(62)
1971	161	(16)	0	(4)	11	(6)	194	(205)	366	(231)
1972	89	(21)	7	(2)	13	(6)	1,087	(0)	1,196	(29)
1973	98	(19)	6	(6)	5	(11)	89	(5)	198	(41)
1974	116	(4)	1	(0)	0	(0)	24	(0)	141	(4)
1975	184	(21)	0	(2)	18*	(4)	35*	(48)*	237	(35)
1976	3	(5)	2	(0)	0	(0)	0	(0)	5	(5)
1977	84	(4)	6	(6)	0	(0)	-103	(103)	-13	(107)
1978	124	(5)	8	(0)	0	(0)	0	(0)	132	(5)
Totals										
Added	1,054	(129)	36	(24)	104	(31)	1,546	(381)	2,740	(559)
1970										
Census	10,639		2,219		3,226		8,608		24,692	
1979										
Inventory	11,693		2,255		3,330		10,154		27,432	
1979										
Inventory										
Adjust.	11,688**		2,255		3,330		10,060		27,333**	

* Activity by the Alameda Housing Authority

** Adjusted to conform to State Department of Finance estimates

Sources: Alameda Building Permits; 1970 Census; State Department of Finance

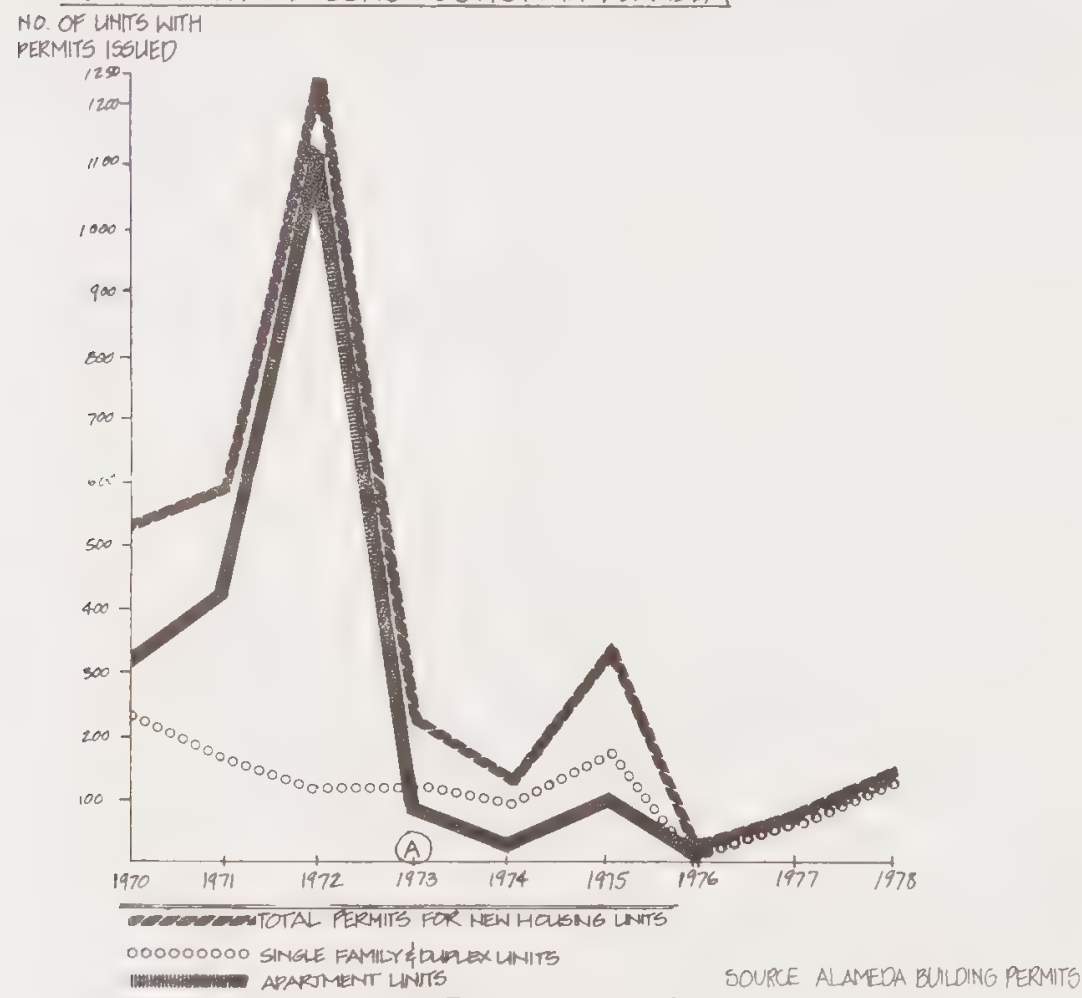
8% of the current inventory. During the 1960's over 8000 units were built—(30% of the current units) and since 1970 another 3200 units were constructed. Housing more than 30 years old is subject to deterioration and may be candidates for rewiring, modernized plumbing and new foundation work.

Indications of the condition of the older housing come from a thorough analysis of a small number of structures by the City in 1974. Overall, the survey revealed that Alameda's housing is well maintained in spite of its age. None of the buildings in the sample were structurally unsound to the point indicating demolition for physical reasons. However, several types of major

and costly deficiencies were found in older buildings, such as the need for rewiring, plumbing, foundation work and improved lighting and ventilation.

How many units need rehabilitation? There is no current information on the extent of repairs and rehabilitation work needed. The only numbers available come from a special Census Bureau analysis of housing needing plumbing and dilapidated for other reasons based on 1970 information. According to this, some 900 occupied and vacant units needed attention in 1970 (Table 10). Over 300 lacked plumbing and another 600 were deteriorated in other ways. Rental units and vacant units

FIG. 6
NEW RESIDENTIAL CONSTRUCTION IN ALAMEDA



available for rent or sale were more likely to need work than were owner-occupied units.

In the past five years there has been an increased level of private rehabilitation in the City. Perhaps stemming from spiralling costs of home purchase, more people choose to stay in their homes and modernize, rehabilitate and add space and amenities rather than trade up for larger homes. In 1974 there were 100 more alteration permits taken in the City than in the year before (Table 11). Since then the numbers of permits have remained at around the same level and in 1976 and 1977 the average amount of investment increased substantially from 1970 levels, taking inflation into account. Because of increased rehabilitation investment levels, it is assumed that the actual numbers of units needing work is the same now as in 1970. There may actually be fewer such units, particularly among the owner-occupied stock.

Recent Construction Activity

Since 1970 some 3200 housing units have been constructed in the City. Single family units account for 1180 or 36% of the new construction. There were 50 duplex units and about 2000 apartment units built in this time period. Almost all the apartments were built prior to passage of Measure A in 1973 which essentially limited new construction to single family and duplex units. The exception was the construction in 1975 of 65 units of housing for senior citizens and another 40 units for families and seniors by the Alameda Housing Authority.

State wide construction, particularly of apartment units, was at a low ebb in 1974 and 1975. The years 1976 and 1977 saw a comeback for the housing industry on the national and state level. In California this has been primarily a single family boom time.

Single family permits in Alameda seem to lag behind state-wide trends with the local slump coming in 1976. Permits issued in 1974 and 1975 were mostly for building on Bay Farm Island in subdivisions started prior to the statewide slump. Harbor Bay Isle activity, on the other hand, only now is beginning to pick up pace, some two years after statewide construction picked up some steam. Condominiums in Alameda were an event of the early 1970's.

Some 340 of the 2000 apartments built in the beginning years of the 1970's were built as condominiums and another 500 rental units were converted during these years to condominium ownership. The approximately one thousand households now in the City who are owners of condominium units are Alameda's share of a growing segment of the regional housing market. Within the City, conversions have virtually halted since the passage of a revised condominium conversion ordinance in 1975 however, and purposely built condominiums are now limited, as is all new construction, to duplex units.

During the 1970's about 560 units were demolished for various reasons. Over 400 were apartment units including about 150 Housing Authority units. The demolition rate for single family houses has remained low at around seven a year for the past five years.

1976 and 1977 were years of almost no new construction in the

City and a two year flurry of rehabilitation investment. Last year saw the beginning of the considerable new construction of large and more luxurious homes planned for Harbor Bay Isle.

Condominium Conversions

Some 500 apartment units were converted to condominium ownership in the early years of the decade. From 1975 until 1979, conversions were virtually halted. Currently, however, a wave of applications are being considered by the City and certain implications now have to be faced.

Condominium conversion is a double edged sword. On the one hand is the potential of home ownership opportunities for moderate income families as well as the physical upgrading of properties and the increased property tax base for the City. On the other hand, conversions would result in a reduction of the rental stock in Alameda since no new apartment buildings are currently feasible. Problems of tenant displacement and reduced affordability for renters could well ensue from any substantial amount of conversion. Cities all over the State are grappling with these issues and formulating policy and regulations with a wide variety of impact from effectively halting conversions to little regulation beyond the Subdivision Map Act. Alameda faces these same issues in the unique context of an essentially frozen rental stock under provisions of Measure A and unfavorable mortgage money market.

Vacancies

Vacancies are estimated for January 1979 by the State Department of Finance at 3.9% of the 27,333 housing units or 1069 vacant units. Assuming that (as in 1970) approximately 1% of the housing stock is vacant but not available for sale or rent, an estimated 793 units are vacant and available. Further assuming that 124 of these units were under construction and for sale on Harbor Bay Isle on January 1, 1979 and that the remaining 669 vacant units had the same proportions for rent and for sale as in 1970, there were an estimated 190 units for sale and 603 units for rent in January 1979. This represents vacancy rates of 1.8% for owner housing and 3.7% for renter housing. Except for the new construction on Harbor Bay Isle levels of vacancies have remained fairly constant since 1975, down from early years of the decade, according to State estimates.

Overall for-sale vacancy rate of 1.8% would give home purchasers sufficient choice in the market were it not for the fact that all but a few of the homes for sale are priced out of range for almost two-thirds of Alameda's families. Almost half of the present owners in the City could not afford to purchase even a bottom-of-the-market home without investing considerably more than 20% in down payment. Over two-thirds of the current renters are in the same boat.

Rental vacancies are in short supply. Ideally there would be another 200 vacant rental units to allow some degree of choice in the matter. The ideal rental vacancy rates, however, have not been reached anywhere in the State for many years especially since the mid-decade drop in apartment construction. Rent levels have not escalated as fast as home prices. However, there are close to 4000 renters in the City who would not be able to afford any but a few of the available units. For renters as well as for home purchasers who want to move, affordability is the major problem.

Selling Prices of Existing and Newly Constructed Homes

Selling prices and housing costs in Alameda, as elsewhere, have increased dramatically in the last few years. The median sale price of existing homes in the City excluding new homes on Harbor Bay Isle, is now 2.4 times as expensive as in 1975 — four years ago. Bay Area single-family home values have doubled in the same period. The absolute bottom of the market price for existing homes in Alameda is now around \$65,000. Approximately one quarter of the homes sold through the Multiple Listing Service in the spring of this year listed for under \$80,000. By comparison, almost one-third of the listings were over \$120,000. (Table 13).

New homes, primarily in Harbor Bay Isle, are selling at much higher prices than are existing homes. \$125,000 is the estimated median price of the new homes sold in 1978 and so far in 1979 and the 25% line comes around \$97,000. These homes tend to be larger and more luxurious than most of the existing stock and those located on the waterfront command higher prices which include bonuses of \$40,000 to \$100,000. Sales prices are continually increasing as additional new homes come on the market with the median price for the next 1000 homes estimated at \$188,000. Implications of these figures for would-be home

**TABLE 13 SALES PRICES OF EXISTING¹
AND NEWLY CONSTRUCTED² HOMES**

Sales Prices	Number of Bedrooms						Totals
	2		3		4+		
	Existing	New	Existing	New	Existing	New	
Less than \$70,000	10		2				12
\$70-80,000	14	1	7		2		24
\$80-90,000	13	19	8	6	1		47
\$90-100,000	4	22	11	11	1	10	59
\$100-120,000	7	28	5	22	4	17	83
\$120-150,000	7	2	15	8	6	16	54
\$15-300,000		14	10	40	2	23	89
TOTALS	55	86	58	87	16	66	368
Median Sales:							
129 Existing	\$82,000		\$109,000		\$117,000		\$ 95,000
240 New							\$125,000

¹Multiple Listing Service, March through May 1979.

²Approximate sales prices of homes sold on H.B.I. in 1978 through May 1979.

purchasers are clear to one who has knowledge of monthly costs and down payment requirements of prices of these magnitudes. This is discussed in more detail in the section on housing needs.

Rent Levels

Rents for available units in Alameda have increased faster than incomes and not as fast as have home sales prices. Between 1975 and 1979 the median rent for available units went from \$210 to \$325, an increase of 55% compared with an estimated 33% increase in incomes and \$38% increase in prices of existing sale housing for the same period. The greatest increase was for two bedroom units — also the most numerous in supply. (Table 14).

Rentals, like sales prices have increased most rapidly in the last two years, even more than in the 1975-1977 period.

Rentals available on the market have higher average rents than do the total rental stock because some units which have been

rented for many years without turnover have rates well below the market. Some landlords prefer tenant stability and are willing to maintain a certain level of profit rather than charge what the market will bear. People looking for housing, however, are faced with market rates. Thus high rents are most felt by people who have been displaced because of ownership change or other reasons, by young people entering the housing market and by inmigrants such as families attached to the Naval Air Station.

Subsidized Housing

Approximately 10% of the total housing stock is subsidized for lower and moderate income people in Alameda through three different agencies - Alameda Housing Authority, Naval Air Station, and Buena Vista Apartments (Table 15). In all three cases these subsidized units are not intended for the approximately 3800 renter households in the City whose income is *too low* to afford even subsidized housing.

TABLE 14 RENTAL UNITS ADVERTIZED — MAY 1979

Rent Ranges	Total	Advertized Number of Bedrooms				
		Studio	1	2	3	4
\$150-199	10	7	2	1		
200-249	22	6	14	1	1	
250-299	33		19	14		
300-349	13		3	8	2	
350-399	23		1	17	5	
400-449	13			9	4	
450-499	11			3	7	1
500-599	14			3	11	
600-699	6			1	3	2
TOTAL	145	13	39	57	33	3
Median Rent	\$325	\$195	\$250	\$350	\$465	\$600
1975 Median	\$210		\$170	\$220	\$320	\$440
% Change	55%		41%*	59%	45%	36%

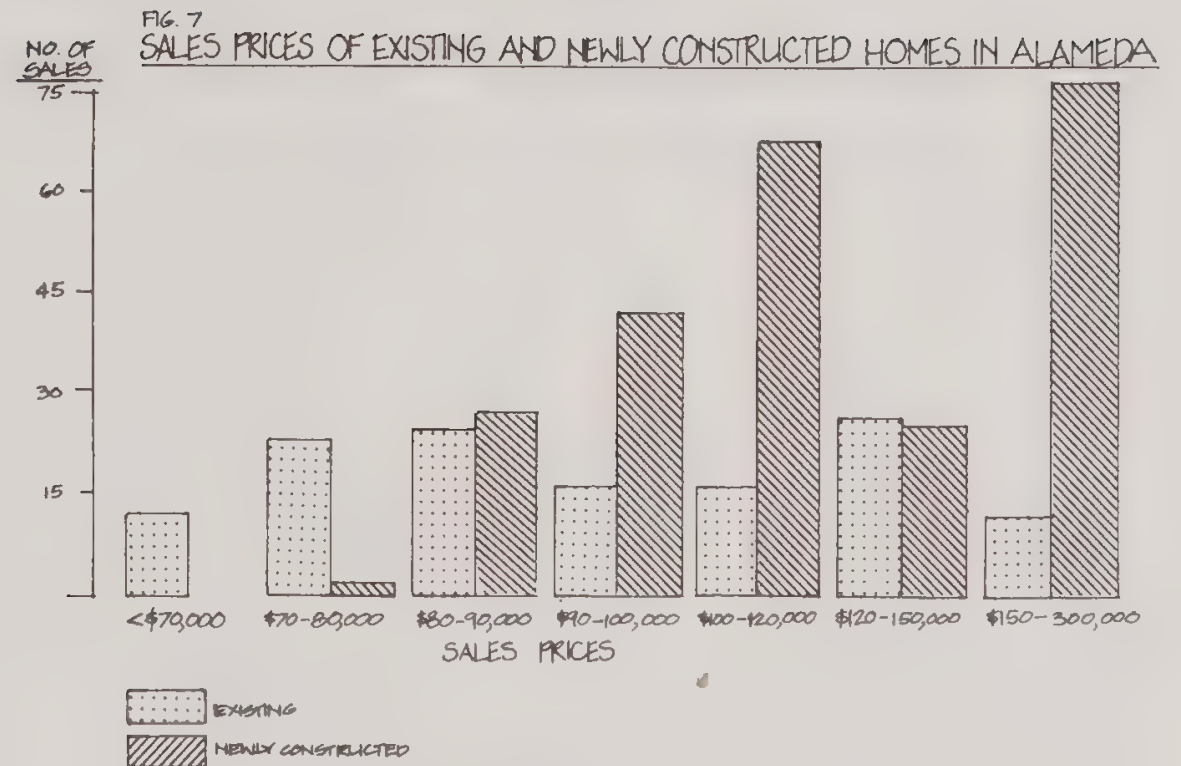
* Median for studios and one bedroom units was \$240 in 1979.

Source: **Alameda Times-Star**, Classified Ads, May 1979, June, July 1975.

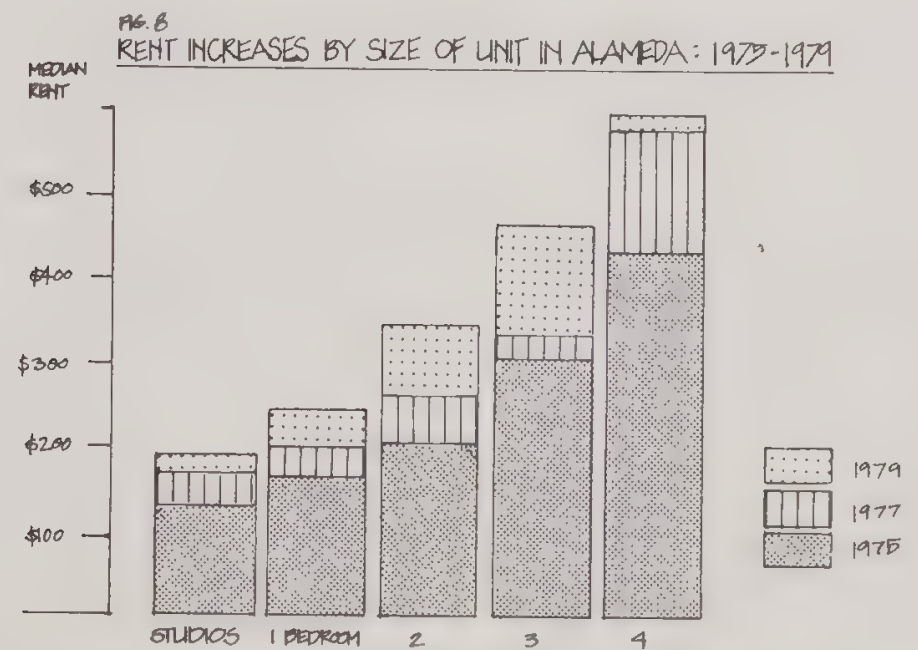
TABLE 15 SUBSIDIZED HOUSING UNITS. 1970 - 1980

	1970	1979	1980	Decade Change
Rental Assistance				
Alameda Housing Authority		June 30 estimate		
Makassar	329	126 ¹	0	
Esperanza	-	120	120	
Otis/Park Seniors	-	65	65	
Others	-	53	145 ²	
Private Units leased	225	439	489 ³	
Total Housing Authority	554	803	819	265
Buena Vista Apartments	615	615	615	
Naval Air Station	1213	1213	1213	
Total Rental Assistance	2382	2631	2647	
Rehabilitation Assistance				
Section 8 Substantial Rehab	-	-	40	
HCDA	-	13	73 ⁴	
Total Rehabilitation Assistance	0	13	113	113

1. January 1979 estimate of units remaining at Makassar.
2. Includes 40 modulares, 13 single family houses, 50 units at Parrot Street and 42 units currently under application to HUD for replacement public housing.
3. The estimated additional 50 units of private leased housing from June 1979 to the end of 1980 is based on the record of 64 additional units leased from April 1976 through December 1978.
4. An estimated 60 additional units could be aided through HCDA & Section 312 with current funding levels.



SOURCE: MULTIPLE LISTING SERVICE, HARBOR BAY ISLE SALES OFFICES



SOURCE: ALAMEDA TIMES STAR; OAKLAND TRIBUNE

TABLE 16 SECTION 8 FAIR MARKET RENTS - JUNE 1979

	Non-Elevator	Elevator
Studio	\$207	\$227
1 Bedroom	237	261
2 Bedrooms	288	316
3 Bedrooms	360	396
4 Bedrooms	433	475

Source: Department of Housing and Urban Development

The Alameda Housing Authority currently administers some 800 units of subsidized low cost housing. The 126 units remaining in Makassar Straits Village are occupied by families and elderly people and are slated to be demolished by 1980. Plans to build 50 new replacement units at Parrot Street are well underway. Esperanza is a complex of 120 family townhouses and a community center. There are 65 units of senior citizen housing at Otis and Park Streets and additional 53 modulars and single family houses occupied by families and elderly people.

In addition to the units administered directly by the Housing Authority, there are some 425 units leased from private owners throughout the City under the Section 8 program. The Department of Housing and Urban Development (H.U.D.) Fair Market Rents determine whether a unit can come into this leased housing program (Table 16). With escalating market rents, the numbers and proportions of available units that come under the FMR figures has diminished substantially in the past year from 40% to 25%. Units of all sizes were affected, particularly large units. There were no four bedroom units advertized in May of this year that would have been eligible for the Section 8 program (Figure 9).

Families seeking housing with the Authority or under the leased housing program must come within minimum and maximum income limits depending on the number of persons in the family. The 800 units accommodate less than 20% of the households who are potentially eligible for subsidized housing. In addition there are over 3800 renter households who are not eligible because their incomes are too low. Thus, publically subsidized housing is not intended for the very low income people in the City. (Table 17).

FIG. 9

RENTAL UNITS ADVERTISED AND SECTION 8 ELIGIBILITY IN ALAMEDA: 1978-1979

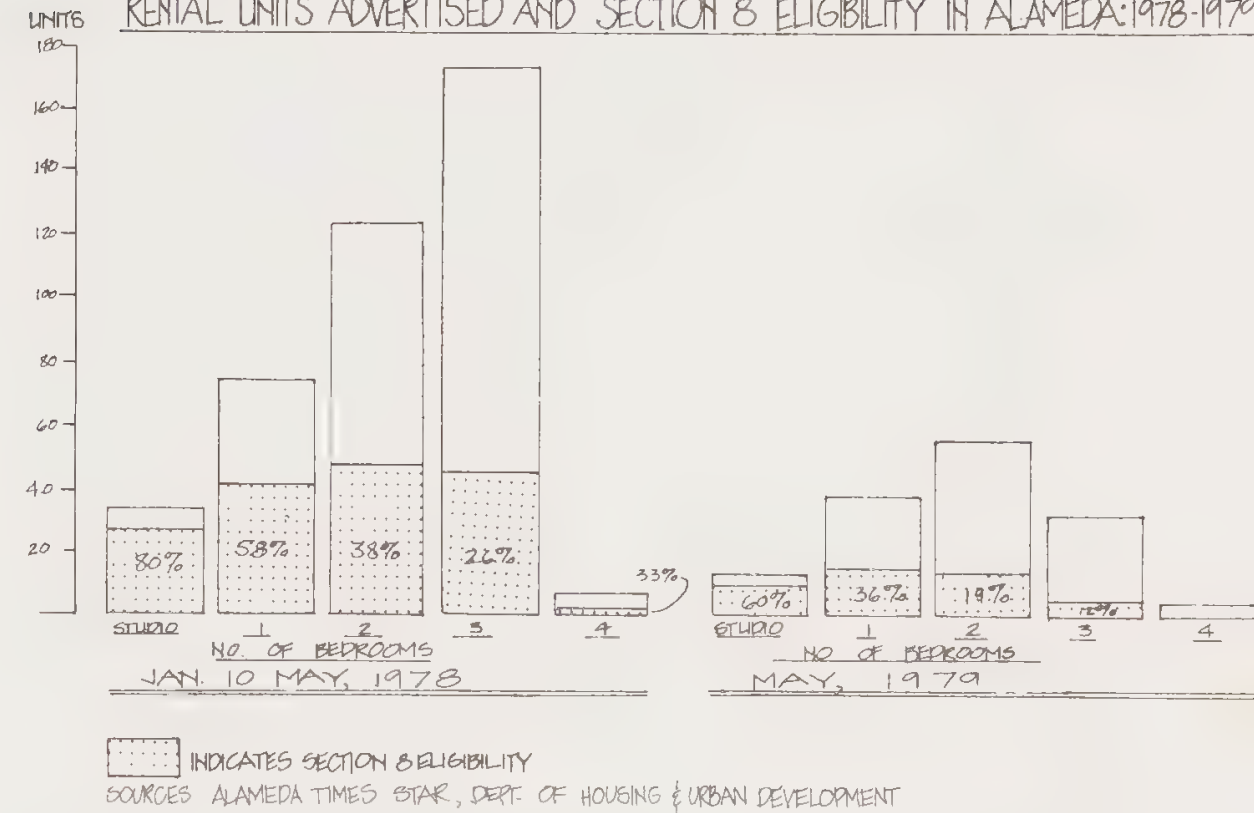


TABLE 17 SECTION 8 HOUSING ELIGIBILITY & INCOME LIMITS

Household Size	Numbers of Renter Households		Income Limits	
	Income too low	Eligible Potential	Minimum	Maximum
1	1540	775	6,700	10,750
2	1040	1000	7,700	12,300
3	470	800	8,650	13,800
4	470	800	9,600	15,350
5	150	475	10,350	16,300
6+	150	375	11,150	19,200
TOTALS	3820	4225		

Source: Alameda Housing Authority

Buena Vista Apartments, 615 units built with Federal subsidies in 1965, still maintains rent levels and income limits to ensure that low and moderate income people can afford to live there. Two bedroom units currently rent for \$173 a month and three bedroom units rent for \$215. In both cases this is less than half the median for units available on the market.

Maximum income limits are slightly higher than for Section 8 and public housing (Table 18) and minimum income requirements are based on the rule of thumb that a family can afford up to one-third of its net income after installment obligations, for housing. Thus *net* incomes of around \$6300 and \$7740 are needed for two and three bedroom units in Buena Vista Apartments.

The Navy administers some 1213 housing units for eligible married personnel attached to the Naval Air Station. Eligibility is limited to personnel rated E-4 or above with dependents and two years of service. The result is that Navy personnel with the lowest income are the ones ineligible for Navy housing. Some 460 men of lower ranks with families, whether attached to the base or to ships stationed in Alameda, are ineligible for Navy housing and must find housing on the market with pay that includes \$150 a month for housing. Of these, approximately 250 households manage to find housing off base in complexes like Buena Vista Apartments and through our housing authorities.

TABLE 18 BUENA VISTA APARTMENTS - INCOME LIMITS

Household Size	Maximum Income
1	\$12,750
2	14,600
3	16,400
4	18,250
5	19,400
6	25,000

TABLE 19 NEW HOUSING UNITS PROJECTED

1979 to -	1980	1984	Buildout
Housing Units			
Net additions	600	3,185	4,183
Demolitions ¹	-195	-215	-230
Additions ²	795	3,400	4,413
Alameda Marina Village		400	700
Alameda Harbor Bay Isle	700	2,600	2,928
Alameda Bay Farm Isle (remainder)	20	150	335
Alameda Main Island (scattered sites)	25	200	400
Alameda Parrot Street	50	50	50
Tenure, Net Change ³			
Owner	670	3,015	3,927
Renter	-70	170	256
Income, Net Change ³			
Lower Income	-145	-165	-180
Middle and Upper Income	745	3,350	4,363

¹Demolitions include 190 units of temporary housing plus five units per year.

²"Potential Growth in Alameda Housing Inventory Allowed by Recommendations in the Combined Land Use Plan." Table 15 as revised in C.L.U.P. - **E.I.R. Responses**, p. 15.

³Assumptions: 90% of new units except for Parrot Street will be owner units. 100% of new units except for Parrot Street will be middle and upper income. 100% of demolitions will be lower income rentals.

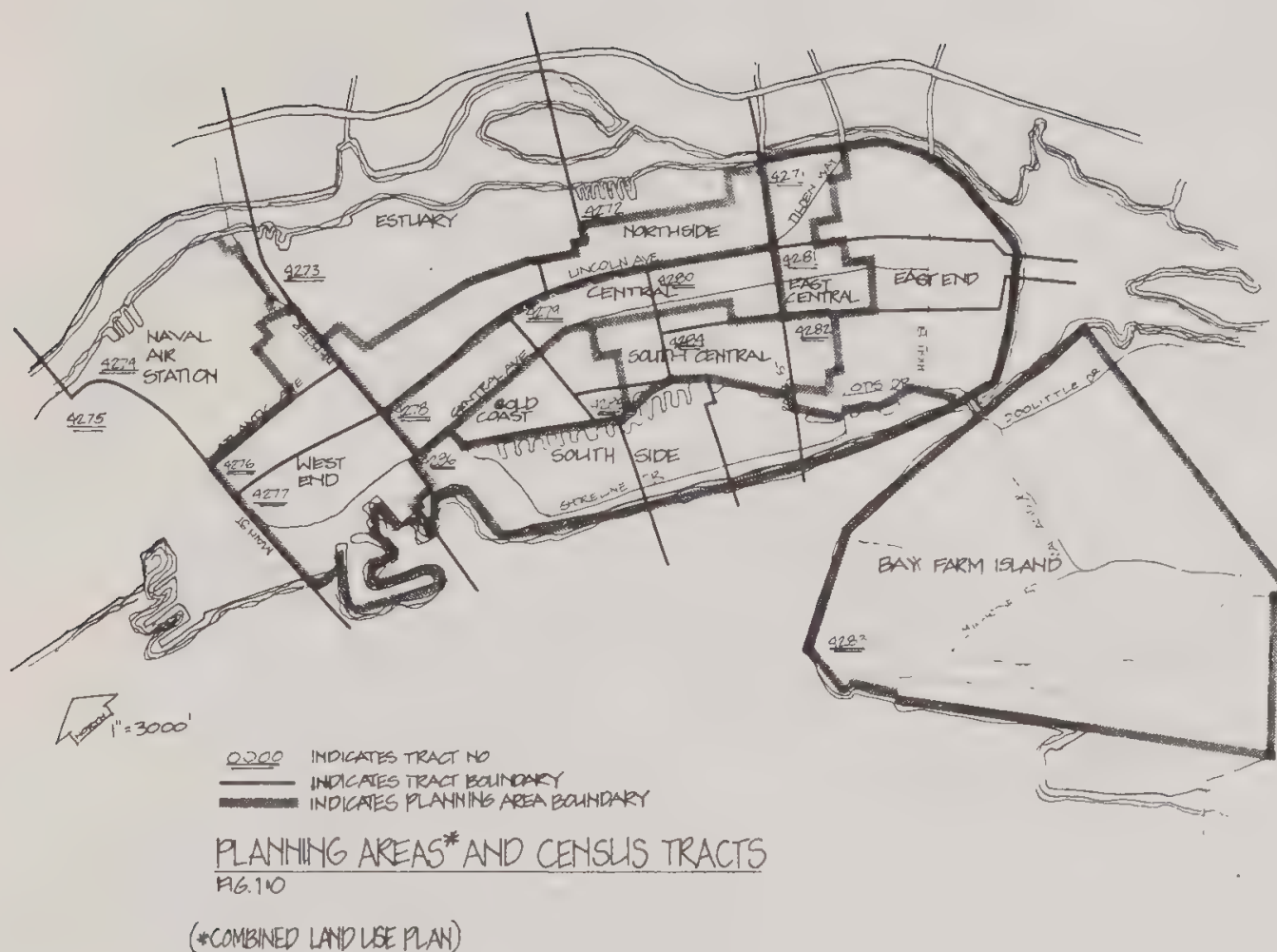
Projected New Construction

The vast majority of new residential construction expected in Alameda in the 1980's will be expensive single family homes and duplexes in Harbor Bay Isle and in the proposed Alameda Marina Village. Some 4400 homes are projected for construction from now until buildout in the latter part of the 1980's in conformance with current land use policies. Table 19 shows estimated phasing and location of this development. It is assumed that 90% of the new units will be owner-occupied and that most will be occupied by upper-income people. The limited ability of government and the industry to provide housing for lower-income families is discussed in more detail in the section on market and governmental constraints.



starting at \$200,000 to \$300,000. Numbers of each will depend on where the demand is in the next phase. Currently about half are expected to be three bedroom homes, 20% two bedrooms and 30% four bedrooms.

According to current estimates by developers of the next wave of some 900 to 1000 homes, sales prices will range from \$100,000 to \$300,000 and unit sizes will range from around 1200 square feet to 3000 square feet. There is substantial variation in prices depending not only on the house itself, the size, the number of bedrooms, the amenities — but also on how desirable the location. Substantial premiums are included in the sales price for lots on the waterfront, for example. Two bedroom homes will range in size from 1200 to 2000 square feet and in price from \$120,000 to \$200,000. Three bedroom homes range from \$100,000 to \$230,000 for 1700 to 2400 square feet of space, and four bedroom homes of 2400 to 3000 square feet can be purchased



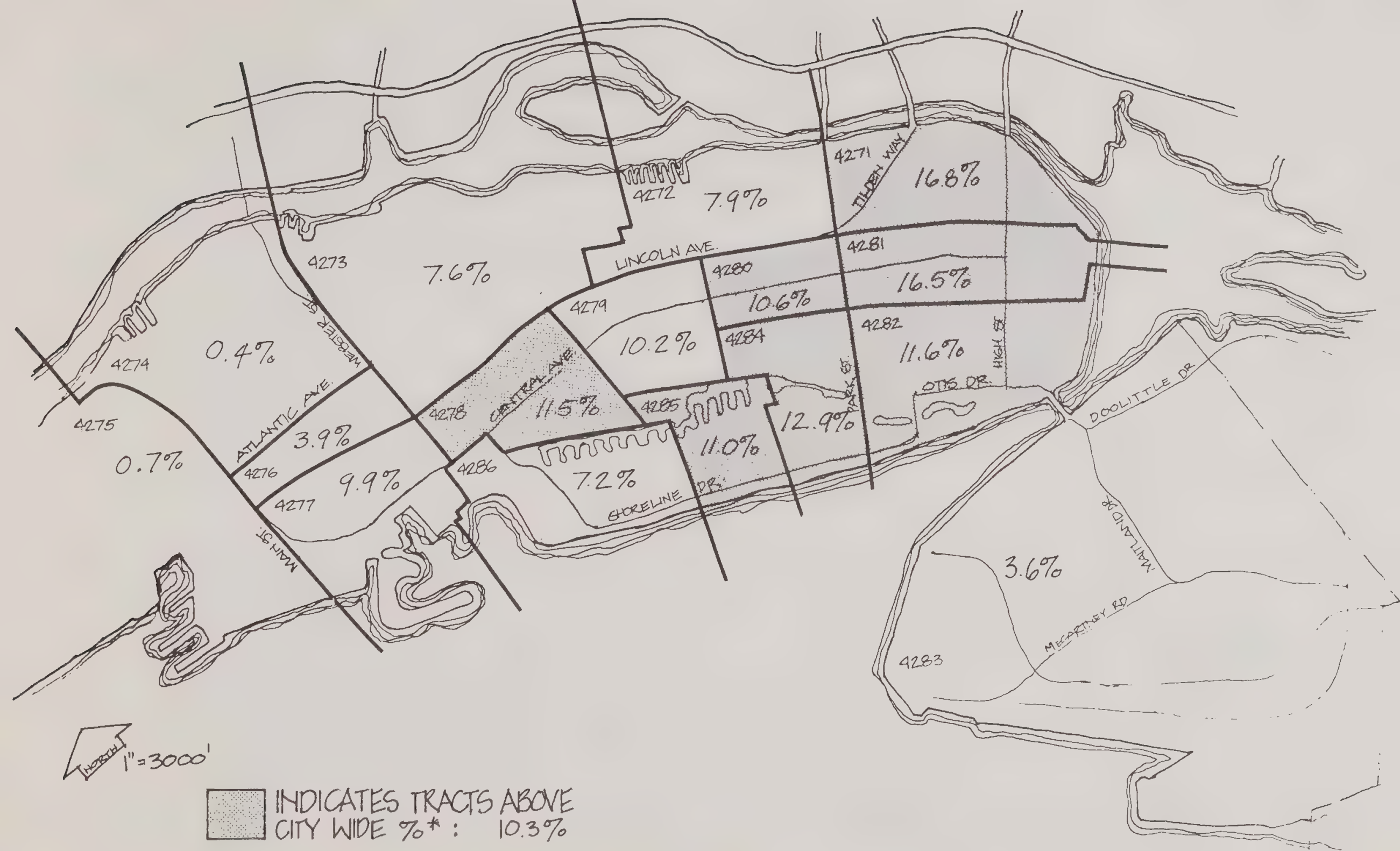
Nighborhood Profiles

Alameda is not a homogenous city. The Combined Land Use Plan (CLUP) has identified ten neighborhoods in the city in addition to the Naval Air Station. These neighborhoods overlap Census tracts and, in this section, information is presented for both systems. Neighborhoods are described briefly here and in detail in the Combined Land Use Plan. Information on changes in housing since 1970 is presented by Census tract. By referring to the map of CLUP Planning Areas and Census tracts (Figure 10), the reader can get a picture of the characteristics of different parts of the City and changes that have taken place since 1970.

Differences throughout the City in income, age and home ownership in 1970 are shown on maps (Figures 11, 12, and 13) as indications of the current picture. It is interesting to note the reverse relationship between home ownership and low income families. The notable exception is in Northside tract 4273 where there are substantial numbers of lower income homeowners. It was on the basis of data such as these that the City designated a Target Area for neighborhood improvements. This area includes the Northside neighborhood and parts of West End and Central neighborhoods. (Census tracts 4272, 4273, 4276, 4280) Within these four tracts are significant concentrations of low and moderate income people living in substandard housing. Tracts 4274-4275 (Naval Air Station) are mainly low and moderate Navy income dependents living in Naval housing. The 1970 Census also indicated that Alameda had people of low and moderate income in all neighborhoods of the City.



OWNER/RENTER RATIOS IN ALAMEDA (1970)
FIG. 11

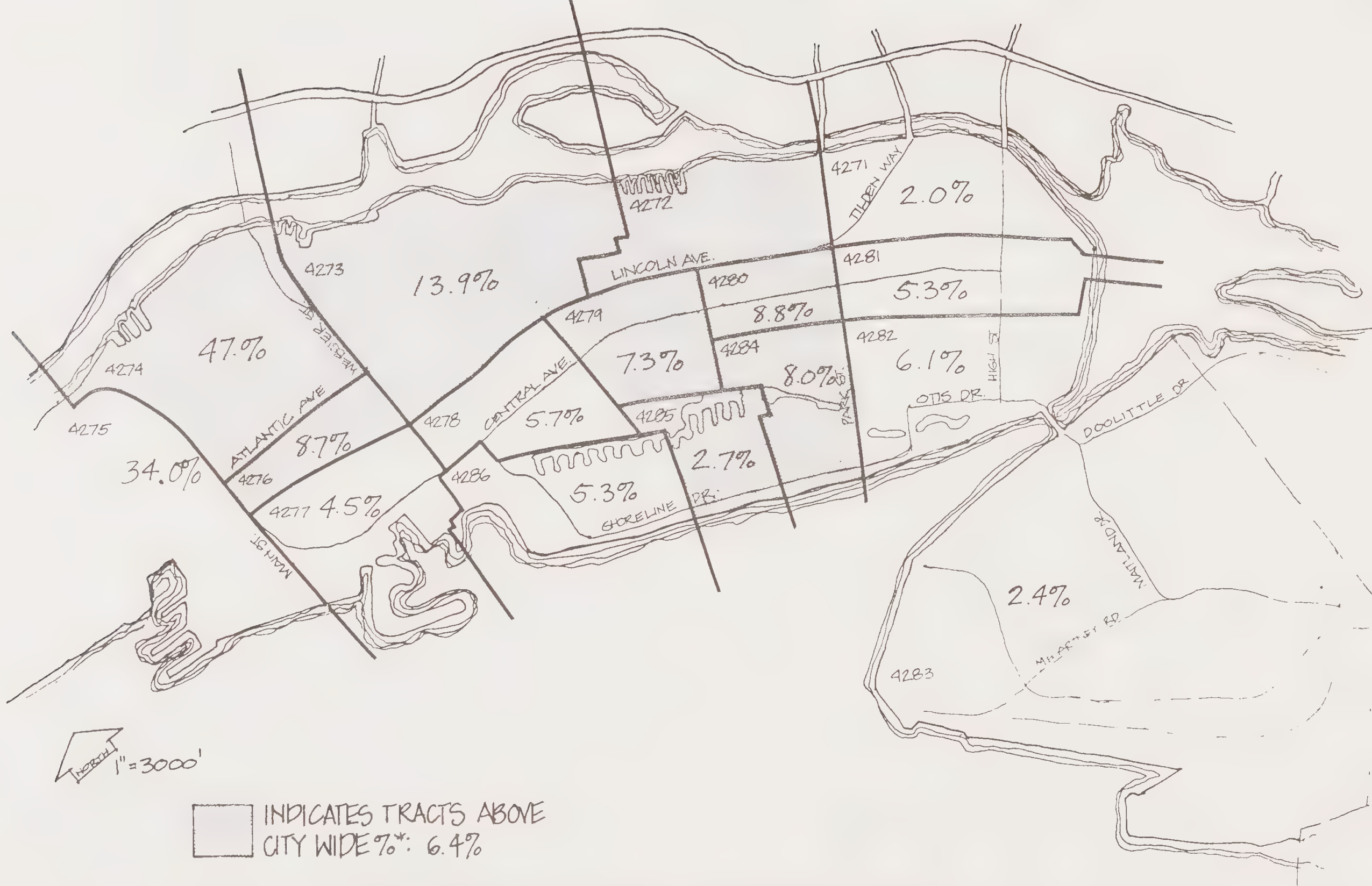


PER CENT OF PEOPLE 65 AND OVER IN ALAMEDA (1970)

FIG. 12

(*EXCLUDING TRACTS 4274 & 4275)

SOURCE: U.S. CENSUS 1970



PER CENT OF FAMILIES IN POVERTY IN ALAMEDA (1970)
FIG. 13

(*EXCLUDING TRACTS 4274 & 4275)
SOURCE: 1970 U.S. CENSUS

The most notable changes since 1970 in housing construction, condominiums, ownership turnover, and home sale prices are discussed for each neighborhood and highlighted in Tables 20, 21 and 22 and Figures 14, 15 and 16.

Construction activity was highest in West End, South Side and Bay Farm Island.

In parts of the City where there was little construction activity during the 1970's, neighborhood change is indicated by a high volume of mortgage loan activity and by rapid increases in home sales prices.

There is considerable variation from one part of the City to another in the proportion of mortgage loans made by lending institutions. High volume of loans is associated with high construction activity and with the presence of condominiums in four tracts. In two other tracts, 4272 and 4280, there was also a higher than average turnover of owners. According to interviews with lenders, "redlining" practices essentially ended with the relatively recent ruling that allows purchase of mortgages in all parts of the City by the Federal secondary mortgage market. To the extent that this is reflected in the local market, variation in mortgage loan activity is more nearly an indication of owner mobility and neighborhood change.

Rapid increase in home sales prices occurred during the last five years in six Census tracts, most notable in Gold Coast and Central tracts 4278 and 4279. Eastside tracts 4271 and 4281 also experienced a rapid increase in spite of higher than average prices in 1974. Sales prices in Northside tract 4272 and Southside tract 4285, which were below average in 1974, almost tripled by 1979.

Finally, three tracts in the City (4273, 4276, 4282) showed little indication of neighborhood change during the decade.



 CENSUS TRACTS WITH HIGH CONSTRUCTION ACTIVITY

// TOP FIGURE = % OF CITY WIDE HOUSING UNITS IN 1978
 // BOTTOM FIGURE = % OF CITY WIDE CONSTRUCTION BETWEEN 1970-1978.

HOUSING DISTRIBUTION

FIG. 14

SOURCES: ALAMEDA COUNTY PLANNING DEPARTMENT,
ALAMEDA (CITY OF) BUILDING PERMITS.

TABLE 20 ALAMEDA CENSUS TRACTS WITH CHANGES SINCE 1970

Census Tracts	Added Units¹	Condominium Conversions²	Owner Ratio 1970-1978³	Turnover of Owners 1978⁴	Median Home Sales Price Increase 1974-1979*
Northside 4272				10.5%	180%*
West End 4277	685		36 - 28%	11.0%	
Southside 4284	240	80	22 - 31%	11.6%	
4285		90	25 - 31%		200%*
4286	550	240	52 - 48%	10.7%	
Central 4278					290%*
4279		50			220%
4280				11.7%	
East End 4271					200%
4281					210%
Bay Farm Island 4283	750			10.0%	

¹Tracts with 200 or more units added, Alameda Building Permits, County housing unit estimate, January 1, 1978.

²Tracts with 50 or more condominium units converted.

³1970 Census, 1978 Homeowner estimate.

⁴Ratio of mortgage loans to estimated homeowners.

*Tracts with below median home sales prices in 1974. In addition to tracts with change indicated, 4273 and 4276 were below median sales price in 1974.

TABLE 21 MEDIAN HOME SALES PRICE BY CENSUS TRACT - 1974-1979

Census Tracts	1974-5	1976	1979	Percentage Increase	
	Assessor's Records 3-74 to 5-75	Assessor's Records 11-75 to 3-77	M.L.S. 3 to 6-79	1974-79	1976-79
4271	\$42,450	\$65,000	\$126,000	200%	90%
4272	29,950	44,000	83,000	180	90
4273	27,450	42,000	72,000	160	70
4276	27,450	39,000	62,000	130	60
4277	37,450	49,000	93,000	150	90
4278	32,450	48,000	128,000	290	170
4279	37,450	61,000	121,000	220	100
4280	37,450	48,000	86,000	130	80
4281	42,450	52,000	120,000	210	150
4282	42,450	53,000	93,000	120	80
4283*	42,450	55,500	86,000	100	60
4284	37,450	49,900	80,000	110	60
4285	29,500	64,900	90,000	200	40
4286	32,450	37,500	82,000	150	120
City Median Sales Price*	37,450	52,000	95,000	150	80
Number of Sales	915	632	129		

*New homes sold in Harbor Bay Isle 1978 through May 1979 not included.



MEDIAN HOME SALE PRICES IN ALAMEDA - 1979*

FIG. 15

* EXCLUDING HARBOR BAY ISLE
SOURCE: MULTIPLE LISTING SERVICE



TURNOVER OF OWNER-OCCUPIED UNITS IN ALAMEDA - 1978
(HOME MORTGAGE LOANS AS % OF OWNER-OCCUPIED UNITS.)

TABLE 22 MORTGAGE LOAN ACTIVITY - 1976; 1978

Census Tract	1976		1978		Percentage of Estimated Owner- Occupied Units
	Loans	Average	Loans	Average	
4271	66	\$43,400	68	\$64,200	6.4%
4272	63	33,900	60	49,900	10.5
4273	42	33,400	41	46,700	7.0
4276	8	33,100	13	52,200	5.0
4277	47	44,200	72	56,100	11.0
4278	65	37,600	61	55,000	8.0
4279	73	47,000	52	59,300	6.9
4280	33	35,200	28	55,400	11.7
4281	81	43,600	75	58,500	7.6
4282	118	37,200	101	52,100	6.9
4283	179	41,500	147	56,200	10.0
4284	65	37,100	68	54,900	11.6
4285	27	49,500	27	64,400	5.9
4286	132	29,600	67	53,000	10.7
City Totals	990	\$38,800	883	\$55,600	8.4%

Source: Mortgage Loan Disclosure Statements, 1976, 1978.

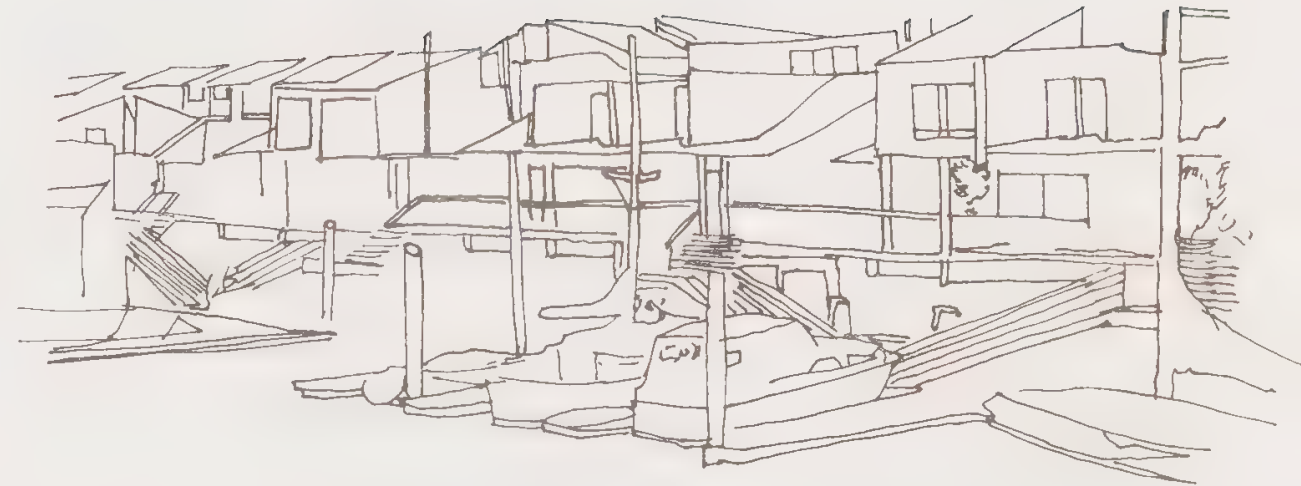


Northside

The Northside is one of the oldest residential areas in the City, and has been the least impacted neighborhood by multi-family zoning. A great deal of older housing stock remains, commonly Victorian cottages or bungalows. The amount of private housing rehabilitation is making a significant difference in the appearance of the neighborhood. Home sales prices have increased faster here than in the City as a whole.

The Northside shares two parks with the Estuary; McKinley and the newer Buena Vista Park oriented to the central and western portions of the area. In total, the area has about seven acres of park space, the second lowest per person for all neighborhoods in the City.

The most serious impact on the area is the traffic from industrial uses. Buena Vista Avenue is a residential street which carries over 10,000 vehicles per day over much of its length. This heavy flow is aggravated by the fact that many of the vehicles are large trucks. Lincoln Avenue also carries over 5,000 vehicles per day over much of its length. This heavy traffic impacts many of the side streets. A number of alternative routes have been proposed to handle anticipated increases in traffic associated with potential Estuary development.



West End

Between 1970 and 1978 the West End experienced increases in population and more than 600 dwelling units. Most of this growth can be attributed to development of apartments associated with Ballena Bay. The neighborhood now has a mixture of multiple family structures interspersed among older single family houses. There was a corresponding drop in the estimated home ownership ratio and a high rate of home mortgage activity.

Ballena Bay is a new water oriented development which includes part of the shore in the West End and a peninsula extending out into San Francisco Bay. The nonresidential portion of the peninsula, created from filled tidelands, is owned by the City and leased to the developer of Ballena Bay. This lease incorporates a land use plan including a total convention center, offices, shops and recreational facilities.



South Side

This area is the latest developed neighborhood in the City, with the exception of Bay Farm Island, and consequently its character contrasts sharply with areas north of the lagoon. The neighborhood has abrupt changes in density from single-family to high density multiple family districts.

Tracts 4284 and 4285 experienced a substantial increase in ownership ratio primarily due to over 400 condominiums built or converted here since 1970. Tract 4285 also experienced a sharp increase in home sale prices in the past five years. Tract 4286 shows high apartment construction activity which is estimated to have decreased ownership ratio in spite of the 240 rental units converted to condominiums during the period.



Central and South Central

These two neighborhoods, comprised of Tract 4280 and parts of 4278, 4279, and 4284, have among the highest residential densities in the City. About three-quarters of the housing units are in multi-family structures. There are no parks other than 10 acres of school open space, and traffic impaction is heavy throughout the area. The most notable change since 1970 has been the sharp increases in home sale prices both here and in the neighboring Gold Coast area.



Gold Coast

The Gold Coast area encompasses about half of Census tracts 4278 and 4279. The R-1 zoning has helped preserved mixed styles of predominately single-family homes, while preventing the development of multi-family structures. Both tracts had a slight population decrease during the decade and both experienced sharp increases in home sale prices.

The area contains Franklin Park with 3.9 acres, a tennis court, play equipment and a private swim center.

East End and East Central

These two areas are considered by residents to be one neighborhood. A mixture of single-family types is the dominant feature of this neighborhood. There has been very little new construction since 1970 and home sale prices have increased faster here than for the City as a whole.

Increased traffic from Park Street, Broadway, and High Street, partly due to development on Bay Farm Island, has become of increased concern to residents.



Bay Farm Island

Bay Farm Island's most striking characteristics is the substantial amount of flat, open land on a peninsula jutting out into the Bay and the dramatic views across the water of San Francisco and the Southern Peninsula.

Construction activity has been relatively high in this part of the City with an increase of some 750 dwelling units during the 1970's. Three large townhouse complexes (Islandia, Casitas and Garden Isle) were constructed by one developer between 1963 and 1976. Current planning for Harbor Bay Isle has been proceeding on the basis of a maximum number of 3200 dwelling units. This development plan includes lagoons, five residential villages, schools, parks, and other recreational facilities, a community shopping facility, other commercial uses and some light industrial uses.

Estuary

About three-quarters of the housing now in this area is single-family. Within the Estuary area are 109 acres of vacant land. In recent years a number of commercial and associated recreational developments have been built along the shoreline. Mixed use development, including around 1000 housing units, is proposed for much of the remaining vacant land.

The most critical factor facing Estuary development is the lack of adequate road access to much of the western waterfront properties. Primary circulation is limited to the existing reserve capacity of the Webster Street and Posey Tubes. The proposed Patton Way and Atlantic Avenue extension will provide better access to Estuary properties and will funnel increased volumes of visitor and industrial traffic away from Buena Vista Avenue.

Market and Governmental Constraints

There is no housing for sale in Alameda affordable to lower and moderate income people. Provision of affordable housing is not only constrained, but halted by a combination of market and governmental factors which result in a strong seller's market for upper income homes.

This section discusses the major factors involved in the current situation with emphasis on those over which the City has some influence or control. To the extent that housing production costs can be reduced, the need for public subsidies for affordable housing can also be reduced.

The interaction between market and governmental factors is pervasive and reciprocal with land use policies and governmental requirements affecting costs, and land scarcity and development proposals with related public service costs affecting policies. Essentially, the production of low density high priced housing is in accord with both the developer's profit-making motivation and the government's low density policies. Affordable housing production would take an affirmative effort on the part of government and private industry with substantial public funding.

Constraints to production and maintenance of affordable housing in Alameda come primarily from four related sources. First, there is very limited vacant land remaining in this island city already built to near maximum capacity. Second, is market inflation in land, construction costs and indirect costs. Third, is the fact of a strong seller's market for housing in Alameda which commands prices which have little relationship to costs for both new and existing housing. Fourth, is land use policies of the City which limit and reduce densities over time.

Land Availability

Alameda is an old city and mostly developed. There is very little vacant land available for new residential development. Most of the vacant land is in two areas currently being developed or under development proposal: Harbor Bay Isle and Alameda Marina Village. Table 19 indicates the maximum number of units that could be built in each of the undeveloped residential areas, based on current land use policies contained in the Combined Land Use Plan (CLUP).

Since these figures were compiled, several of the more desirable vacant parcels have been developed so that, according to a June 1979 survey, some 34 lots remained on the Main Island which could hold a maximum of about 200 housing units. Three of these parcels together compose the Atlantic Avenue site of 8.7 acres which was proposed for 50 to 100 units of lower income housing and turned down by the voters in March 1979. Housing and Urban Development (HUD) has since indicated that this site would not be the best location for lower income housing because of the existing concentration of this economic group in the area. There is still a potential for developing a smaller number of units on one or more of these parcels up to the maximum density allowed under CLUP Special Single-Family district. In addition to scattered sites on the Main Island, two city-owned properties on Bay Farm Island are identified in CLUP. One, an eight-acre site, has since been eliminated from consideration for housing by the City Council in favor of recreational use. The other, a two-acre site on Oleander Avenue, was dedicated to the City for open space use.

CLUP also designated three areas on the Main Island as Mixed Use districts, with a potential for some housing development along with open space, commercial, and light industrial uses.

Proposals for development of these three areas could be evaluated in light of the need for housing, especially units affordable to middle and lower income families. One is the 11.5 acre property owned by the City at Ballena Bay. The second is the older industrial area on the Estuary which now contains underutilized industrial and warehouse uses. The third is Alameda Marina Village for which there is a current proposal for developing 1,000 units of housing, commercial, office and recreational uses.

In addition to vacant land with potential for housing, there may be potential for developing some housing units in underutilized nonfrontage space in commercial buildings. The economic feasibility of such conversion is not yet known nor has the extent of such space in appropriate areas been surveyed.

Land Use Policies

The most notable changes in residential land use policies in Alameda in recent years grew out of a concern about high density development of apartments and condominiums in the late 1960's and early 1970's. Alameda had existing residential densities in 1970 second only to San Francisco among Bay Area cities. By 1975, Daly City's densities surpassed Alameda and current estimates indicate a slight and steady decrease of overall densities primarily due to increased developed residential acreage accommodating a stable population. (Table 23)

TABLE 23 ESTIMATED RESIDENTIAL DENSITIES IN DEVELOPED ACREAGE - ALAMEDA

	Units/Acre	Persons/Acre	Acreage
1970	13.9	39.9	1,776
1975	14.8	39.7	1,823 ¹
1979	14.7	38.8	1,865
1980	14.4	37.2	1,942 ¹

¹ABAG estimates

Concerns about densities led to the passing in 1973 of an amendment to the City Charter, Measure A, which limits new construction to duplexes or single-family structures. The Combined Land Use Plan, adopted as City policy in 1979, goes a step further toward actually reducing densities on an attrition basis in many of the City's residential areas. CLUP designates the entire residential area of the City into one of three categories: Single-Family, which essentially reflects existing Single-Family development; Special Single-Family in areas which contain a mix of single-family and multi-family development; and Special Multi-Family in existing apartment areas. The City plans to revise the zoning ordinance to conform with CLUP designations. Under the CLUP policies, should residential units be destroyed, rebuilding would be allowed up to densities for the district which, in many cases, would allow fewer than the existing number of units.

Government Process

Interviews with City staff on the processes for approving subdivisions and building permits revealed several areas where changes might affect time and cost reduction in new housing. These are in the areas of subdivision review, permit processing and building codes.

Changes suggested are only those under the control of local government. National and State requirements designed to protect the environment and conserve energy, have increased sharply in the past decade until, according to a nationwide study by Rutgers University, approximately 20% of new housing cost is due to government regulations. Some of the energy conservation requirements are probably excessive for temperate climates such as the Bay Area.

The current subdivision review process has areas of fragmentation, confusion, and duplication of effort. In general, the process works at the current staffing level with no evidence of bottlenecks. The major changes suggested are the integration of staff review of development proposals at an early stage in the process and the publication of application materials required of builders.

Improved communication between builders and staff in design review, building department and zoning before the tentative map

is considered by the Planning Board would probably save considerable time later in the process. To the extent that staff can review preliminary development proposals and site plans, communication as to the City's ground rules would be improved.

The building permit process has remained unchanged for many years. There is now considerable backlog and the time for staff review has increased from four to ten days in the past three years. With a stepped-up production pact on Harbor Bay Isle underway, now would be an opportune time to review procedures, record-keeping forms and methods with the goal of simplification.

In the area of Building Codes, it is suggested that the City explore the use of alternate techniques and materials as allowed in the latest edition of the Uniform Building Code.

Components of New Home Sales Prices

New housing prices can be broken down into general components to determine which factors are contributing the most to increases in selling prices and which are subject to influence to limit further increases without cutting into quality or reasonable profits.

Only a general picture can be given because of the lack of local and reliable information. Developers were asked for component costs for a typical home now being produced in the City. The components most often mentioned by developers as contributing to increased sales prices were the cost of land and the inflation in construction costs for materials and labor. In addition, the factors of increased developer mark-up for finance charges, marketing, overhead and profit, was examined.

Because of the desirable location of Alameda in the heart of the Bay Area, and the extremely limited supply of vacant land, the cost of improved sites has increased quite dramatically in the past five years from \$8,000 to \$10,000, to current estimates by developers and realtors from a minimum of \$25,000 for a duplex lot to \$50,000 per unit for a larger site with unusual site development costs or location amenities.

Construction costs for materials and labor were estimated by developers from \$35.00 to \$51.00 per square foot. There was no detail of the components of construction costs in these

estimates. The only readily available cost series which does supply details of construction costs is prepared quarterly by the Bank of America Appraisal Department. This shows a square foot cost in July 1979 of \$36.78, up from \$23.83 in July 1975. The current figure was given some support by lenders in the area.

On the basis of this sketchy information, the general and conservative picture can be given for components in the sales price of a typical 1,600 square foot home selling for \$160,000 in the City. Proportions for land, construction, and other costs and profit are compared with those found in national and regional studies over time (Table 24). There seems to be agreement on the national and regional level that land and overhead and profit components increased faster than did construction costs over time.

TABLE 24 COST COMPONENTS OF NEW SINGLE-FAMILY HOME SALES PRICES - STUDIES COMPARED

	National Study		San Jose		Alameda
	1969	1977	1968	1976	1979
Site	21%	25%	19%	24%	22-25%
Construction	55%	47%	57%	43%	37-40%
Other costs & profit	24%	28%	24%	33%	41-35%
Sales price	100%	100%	100%	100%	100%
	\$25,600	\$48,800	\$22,250	\$49,250	\$160,000

New home prices have increased month by month for the same models on Harbor Bay Isle by a conservative estimate of 60% to 100% in a period of about a year since the first homes went on the market in 1978. It becomes clear that selling prices, in many cases, are based on what the market will bear rather than on any relationship to increased costs.

The market for existing homes in the City is influenced by new home prices and also has spiraled upward faster than in surrounding communities.

A final factor in increased sales prices is the fact of larger homes being produced. Average new home sizes have increased in Alameda from around 1,600 square feet five years ago, to 2,000 square feet in January of 1979. Along with larger sizes,

TABLE 25 COST COMPONENTS OF NEW HOMES - ALAMEDA 1979

	Developer Averages	Least Cost Development
Unit Size	1,600 square feet	1,200 square feet
Land Improved	\$35,000 to \$40,000	\$15,000
Construction	\$59,000 to \$64,000	\$45,000
Other Costs and Profit	\$66,000 to \$56,000	\$ 7,000
Sales Price	\$160,000	\$77,000

some of the new homes have more amenities and substantial bonus charges for waterfront and view locations.

In comparison to costs of housing currently being built, an estimate was made of the costs of building a 1,200 square foot duplex unit on a City lot, (Table 25). Construction was figured at \$41.66 per square foot, land at \$20,000 per unit, and profits at ten percent (10%) of costs.

To the extent that these assumptions are accurate, the least cost for a new unit would be around \$77,000. An income in the upper income range would be needed, in most cases to afford even a least-cost unit. Building units affordable to middle income families would require substantial public funding of up to \$25,000 per unit.



Housing Needs Assessment

Current Issues

At this point it is in order to draw the background information discussed so far, into a statement of housing issues and needs at the present time and in the next five years.

There are at least four interrelated issues that the City could address in the current housing situation in Alameda.

First and overriding, is that of affordability based on the fact of a dramatically widening gap between housing costs and incomes.

Second and related is the role and responsibility of government leaders, the real estate and building industries in addressing the central affordability issue.

Third is the issue of a limited choice and supply of rental units at a time when more households must remain renters.

Fourth is the issue of displacement of people from lower and moderate income Alameda neighborhoods, particularly in the Northside and Central areas.

Condition of the housing stock doesn't seem in itself to be a major issue in the current market conditions with the exception of homes occupied by low income people. Affordability of newly rehabilitated homes and apartments, however, is part of the central issue.

Systematic current condition information would be a great boon to accurate estimates of the need for rehabilitation assistance.

Alameda has a relatively stable population with a sizeable proportion of lower income households who have substantial real world problems in meeting their needs for decent shelter. Housing costs have spiralled in relation to income particularly in the past four years. (Table 26, Fig. 17). It appears that the income - cost gap has widened even more rapidly in Alameda than in the Bay Area as a whole. The national and regional context is one of spiralling costs, with housing on the lead edge of inflation and a sellers market for land and housing to the point, in some cases, where selling prices bear but little relationship to costs.

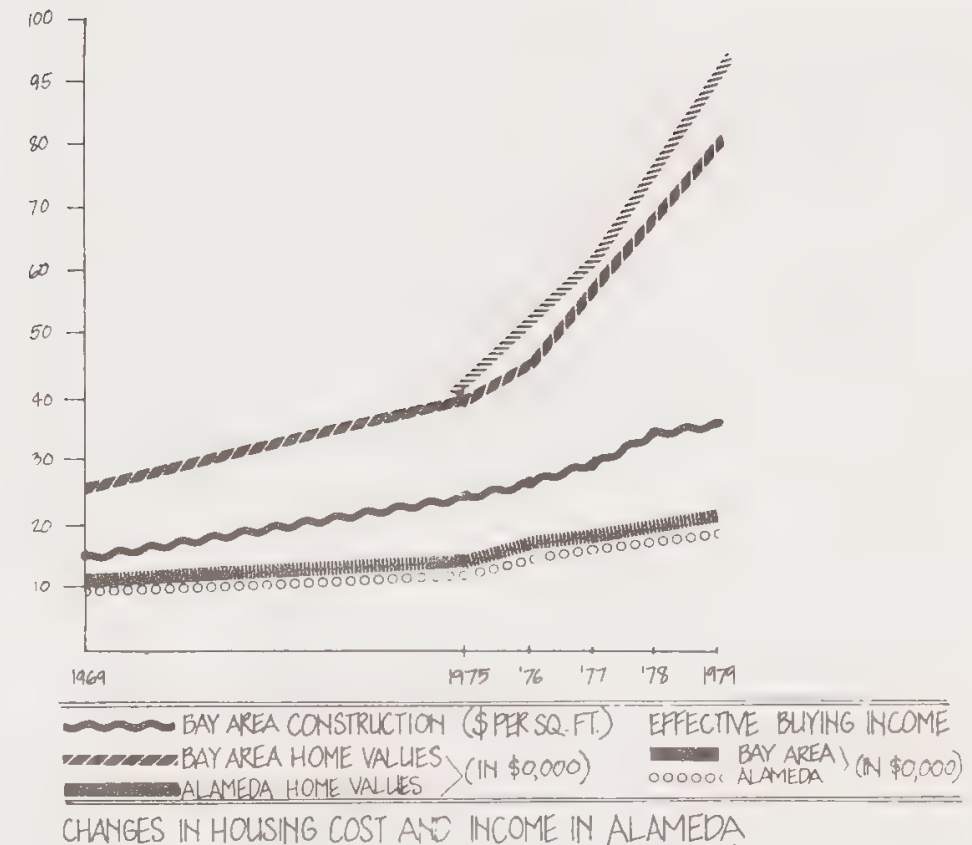


FIG. 17

SOURCES LISTED ON TABLE 26

Within this context, Alameda's housing costs appear disproportionately high. Here, more than elsewhere, are costly homes being sold at top of the market prices and here, more than elsewhere, it seems that the existing real estate market is responding with faster increases of home sales prices. The theoretical "filter-down" process which says that existing housing will serve lower income groups as higher income people move into new housing, does not apply to markets like Alameda where existing home prices are driven up by new home prices. An increasing proportion of households in Alameda cannot afford to purchase a home; at the same time there is a growing segregation of owners and renters according to income and, to some extent location. At the same time, there are shrinking resources for assistance to lower income people and none at all for very low income households.

The related issue - that of the role of government and industry - becomes an issue because of what seems to be a situation of limited successful attempts on the part of both government and private enterprise to address the central issue.

TABLE 26 CHANGES IN HOUSING COSTS AND INCOME - 1970's

Year	Bay Area Construction \$ per. sq. ft. ¹	Bay Area Home Values ² (1967=100)	Alameda		Effective Buying Income ⁵	
			Sales ³	Rents ⁴	Bay Area	Alameda
1969	\$15.03	109.1			\$11,180	\$10,444
1975	23.83	170.2	\$40,000	\$210	14,594	13,486
1976	26.23	195.4			16,105	14,519
1977	29.75	241.8	\$60,000		17,477	15,818
1978	33.20					
1979	36.78	341.7	\$95,000	\$325	19,610 ⁶	17,750 ⁶
Increases						
1969-1979	145%	213%			75%	70%
1969-1975	59%	56%			30%	29%
1975-1979	54%	101%	138%	55%	34%	32%
1975-1977	25%	42%	50%		20%	17%
1977-1979	24%	41%	58%		12%	12%

1) "Standard Quality Single Family Residence Cost Study," July data, Bank of America Appraisal Department.

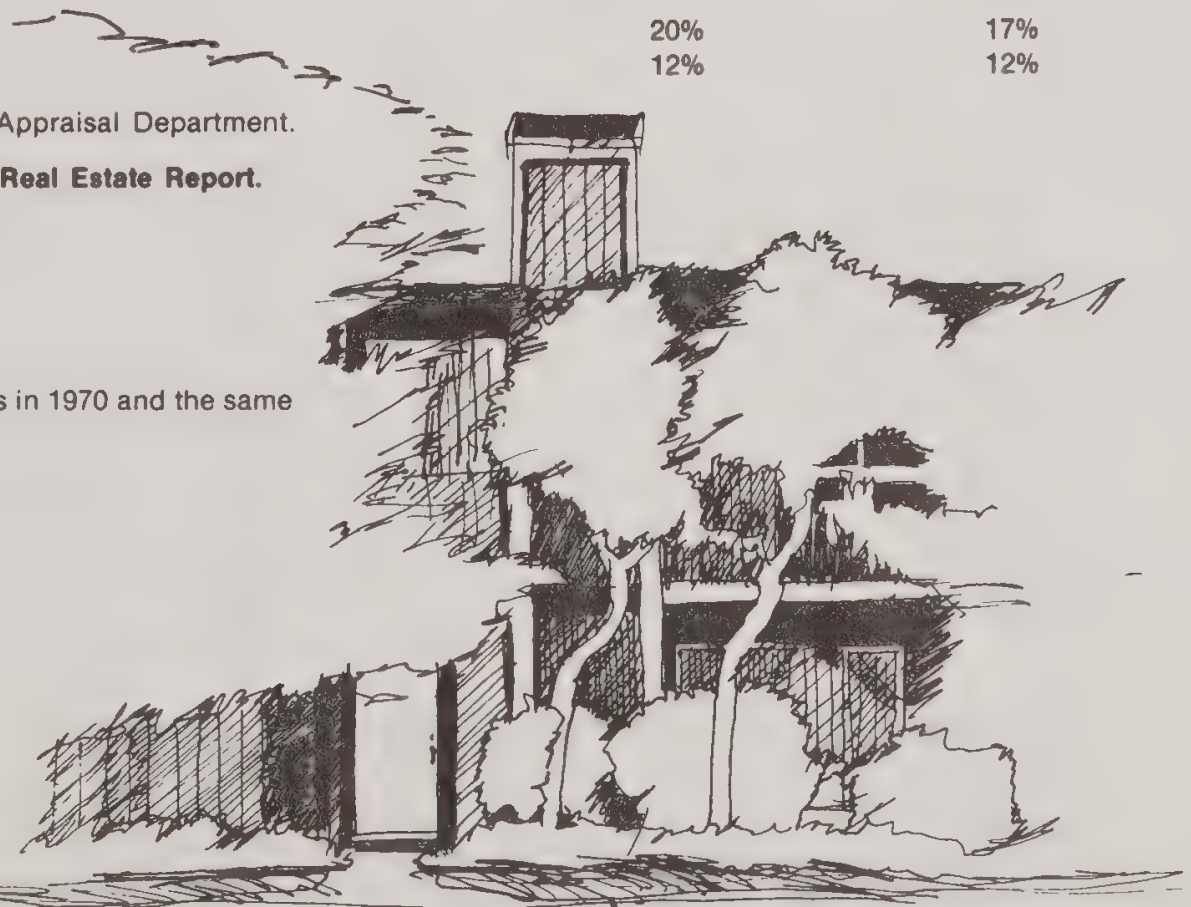
2) Market Trend of Single Family Residence - Bay Area, April data, **Northern California Real Estate Report**.

3) Alameda Assessors Office: 1975, 1977, Multiple Listing Service, March thru May 1979.

4) **Alameda Times Star; Oakland Tribune**

5) "Survey of Buying Power," **Sales and Marketing Management Magazine**.

6) 1979 Incomes are assumed to have the same relation to regional median family income as in 1970 and the same rate of increase on City and Regional levels from 1977 to 1979.



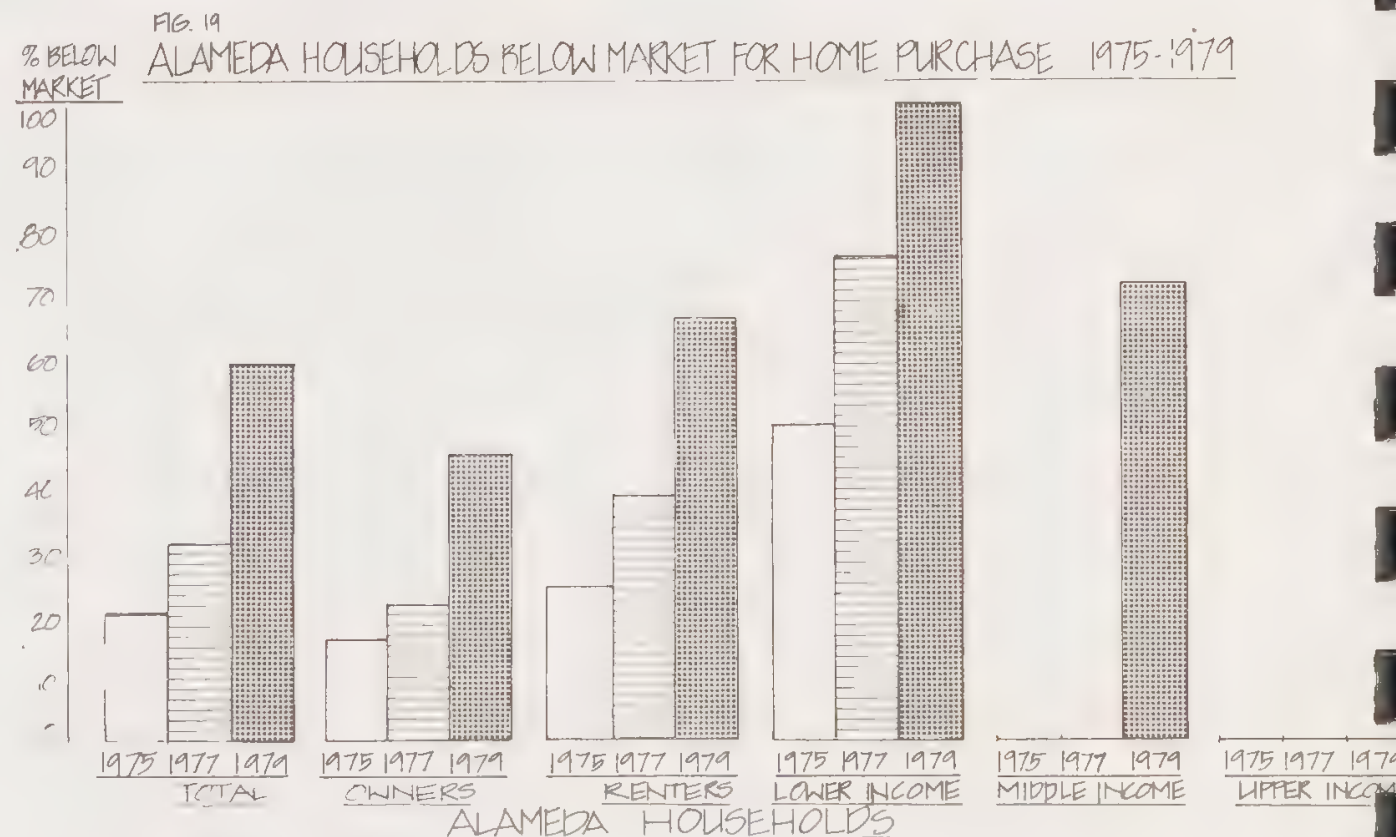
**TABLE 27 AFFORDABILITY OF HOMES FOR SALE
TO ALAMEDA HOUSEHOLDS**

	1975	1977	1979	1979 Households Below Market
Regional Medium Family Income-Estimate	\$15,400	\$18,450	\$19,900	
Median Sales Price	\$40,000	\$60,000	\$95,000	
Quartile Sales Price	\$32,800	\$49,000	\$80,000	
Income to Qualify à 1/3 of price	\$10,930	\$16,330	\$26,670	
% Regional Median family income	71%	88%	134%	
Alameda Households qualifying	63%	53%	25%	19,700
Owners	74%	66%	35%	6,875
Renters	56%	44%	18%	12,825
Lower Income	14%	0%	0%	11,292
Middle Income	100%	82%	0%	5,675
Upper Income	100%	100%	71%	2,730
Bottom of Market 5% line	\$23,000	\$36,000	\$65,000	
Income to Qualify	\$ 7,670	\$12,000	\$21,670	
Regional Median	50%	65%	109%	
Alameda Households qualifying	79%	68%	41%	15,400
Owners	83%	78%	55%	4,750
Renters	76%	62%	32%	10,650
Lower Income	51%	25%	0%	11,292
Middle Income	100%	100%	28%	4,110
Upper Income	100%	100%	100%	0

Source: Alameda Times-Star, May 1979

Market conditions and local land use policies are such that affordable new housing is not being built in Alameda and existing homes are priced too high for more and more people. In the past four years the erosion of affordability has extended to middle income as well as to lower income households in the City. Almost three out of five of Alameda's current households would not find a house to purchase within their means compared with one out of five in 1975. (Table 27)

Likewise, renters seeking to move now face higher rents and less choice than previously. Lower income families, particularly those with very low income usually must pay at least 35% of their income for a rental unit and larger families have very limited choice at any price. (Table 28)



SOURCES LISTED ON TABLE 27

**TABLE 28 AFFORDABILITY OF AVAILABLE RENTAL UNITS TO
LOWER INCOME RENTERS IN ALAMEDA - 1979**

Household Size	Number Bedrooms	Percent Available Units Affordable to Households				
		Lower Income		Very Low Income		
		25%	35%	25%	35%	50%
1	studio	55%	100%	0%	30%	100%
2	1	56%	100%	2%	28%	95%
3	2	28	77	2	9	56
4	2	37	90	2	23	77
4	3	6	45	0	3	27
5	3	9	58	3	3	33
5	4	0	33	0	0	0
6+	4	0	33	0	0	33

Sources: Alameda Assessor; Multiple Listing Service; 1970 Census

The rental stock in Alameda has remained almost static since 1973. No new apartments are being constructed and condominium conversions have the potential of further reducing the numbers of rental units. In the current market situation lower income people and the majority of middle income people cannot afford home ownership, thus any squeeze on the rental stock would bring increased rent levels and a certain amount of tenant displacement.

Tenure preference for renting in Alameda has been around 60% of the City's households. This ratio reflects a relatively high proportion of elderly people and people who prefer renting because of the temporary nature of their employment and military service. The Naval Air Station is the City's largest employer. It also reflects people who would prefer ownership if they could afford it.

The conditions under which conversions are allowed must account for the trade off between home ownership opportunities and the squeeze on renters. Here affordability and tenure preference are the key issues.

Co-operatives, as an alternate form of ownership, are well worth consideration for the considerable advantage of maintaining long range affordability for owners in the middle income group. A discussion of co-operative ownership and limited equity co-operatives is found on page 10.

Current Housing Needs
Lower Income Households

The key official document that puts numbers on the need for housing assistance among lower income people is the *Housing Assistance Plan*. (HAP). Numbers in this section are based on HAP needs assessment. Among lower income renter households, overpayment accounts for over 90% of the total need. The 1975 Annual Housing Survey gives some clues on homeowner expenses relative to income, information not available in the 1970 Census. Table 29 indicates the extent of overpayment among renters and owners with and without a mortgage in central cities of the Bay Area. Given the decrease in taxes since Proposition 13, it is assumed that portions of lower income owners now paying 25% or more for housing approximates the 1975 proportions paying 35% or more for housing. For lower income

TABLE 29 PROPORTION OF OVERPAYMENT FOR HOUSING BY INCOME AND TENURE

	Income Ranges		
	Lower	Middle	Upper
City of Alameda (1970 Census)			
Renters paying			
25% or more	58%	5%	-
S.F. - Oakland SMSA Central Cities - 1975 (Annual Housing Survey)			
Renters			
25-34%	23%	9%	1%
35% or more	42%	2%	2%
Owners, with mortgage			
25-34%	27%	19%	3%
35% or more	46%	5%	-
Owners, owned clear			
25-34%	14%	-	-
35% or more	20%	-	-

owners with a mortgage, this was 46% and for owners without a mortgage this was 20%. These proportions are assumed for younger and elderly owners, respectively, currently living in Alameda. Renter overpayment is assumed to remain at the 1970 level in the absence of current data. This may well be an understatement. Overcrowding is assumed to be about the same as in 1970 with the trend toward smaller households countered somewhat with current market conditions putting pressure on households to double up or take in extra people. Substandard conditions are assumed to remain at 1970 levels with the rate of deterioration matching the rate of rehabilitation occurring in the market largely unassisted by government programs.

A conservative estimate of 5019 households represents un-met housing needs among lower income households in the City. (Table 30) This figure excludes the almost 1200 single non-elderly people who also need assistance because there is no ongoing assistance available for this group.

The group of Alameda families most in need and most numerous is the over 3800 renters with very low incomes. Housing

TABLE 30 LOWER INCOME HOUSING NEED ESTIMATES - 1979

	Owners			Renters			Total	
	Total	Needing Assistance ¹ %	number	Total	Needing Assistance ² %	number	Total	Needing Assistance
Elderly -	1842	20%	368	1299	78%	1015	3,141	1383
1	917	-	183	904	83	750	-	-
2	925	-	185	395	67	265	-	-
Small Family -	989	46%	455	5584	66%	3687	6,573	4142
1	286	-	132	1258	83	1044	-	-
2	137	-	63	1711	75	1283	-	-
3-4	566	-	260	2615	52	1360	-	-
Large Family -	344	46%	158	1234	41%	512	1,578	670
5	126	-	58	511	36	242	-	-
6+	218	-	100	563	48	270	-	-
Totals	3175	31%	981	8117	64%	5214	11,292	6195
Less Single Non-Elderly ³	-	-	132	-	-	1044	-	1176
Housing Need Estimate	-	-	849	-	-	4170	-	5019

1) Owner need is estimated as the proportion of 1975 owners in Bay Area central cities who were paying 35% or more of their income for housing costs. This is an attempt to take Proposition 13 tax reductions into account. Substandard and over-crowdd conditions are assumed to be included in these figures.

2) Renter need for each household type is calculated from "Renter occupied units by Living Conditions" - 1970 Census-Alameda data. Inadequate living conditions are defined as overpayment, units lacking plumbing, and overcrowding.

3) Housing need estimates for the Housing Assistance Plan exclude single people under 65 years of age.

assistance programs currently in use make no provision for these families who don't have enough income to qualify even for subsidized housing.

Among these and lower income people with qualifying incomes, the groups with special needs are the elderly; minority households, particularly large families; Navy personnel; women, particularly single parents; handicapped people; and people needing emergency shelter.

Elderly renters account for over one out of four of the un-met renter needs and elderly owners account for 43% of the owner need. While the estimate for overpayment is strictly a guess, it indicates a situation that needs alleviation.

The proportion of minority households in the population is estimated as 17%. Assuming that the concentration of substandard housing and lower income households is correlated with minority households, a conservative estimate of the number of minority households needing assistance is 1500 or 24% of the total lower income housing assistance need.

The largest numbers of minority families in Alameda come originally from the Philippines and other Asian countries. There is reason to believe, from school enrollment data, that there has been an influx of Philippine families since 1970.

The need of large families for housing assistance deserves special note. While these families make up a low proportion of

TABLE 31 LOWER INCOME HOUSING NEEDS ESTIMATES
MEN — WOMEN — MINORITIES

	Owners		Renters		Total	
	Total	Need	Total	Need	Total	Need
Men						
Elderly	901	180	601	448	1502	628
Single non-elderly	80	37	625	519	705	556
Small family	503	231	3003	1717	3506	1948
Large Family, 5+	246	113	857	357	1103	470
Totals	1730	561	5086	3041	6816	3602
Women						
Elderly	941	188	698	567	1639	755
Single non-elderly	206	95	633	525	839	620
Small family	200	92	1323	926	1523	1018
Large family, 5+	98	45	377	155	475	200
Totals	1445	420	3031	2173	4476	2593
Minorities						
Elderly	128	26	154	120	282	146
Single non-elderly	130	60	269	223	399	283
Small family	320	147	925	694	1245	841
Large Family, 5+	154	71	370	152	524	223
Totals	732	304	1718	1189	2450	1493

households in need, the supply of rental units with three or more bedrooms that rent within Section 8 Fair Market Rents and thus are available to large families, is almost nonexistent, with the exception of a few three-bedroom units in the central and north part of the City. The allowable rent under Section 8 for a three-bedroom unit is \$360 and for a four-bedroom unit is \$433.

Another group needing housing assistance is the families attached to the Naval Air Station who are not eligible for Navy housing. There are some 500 families in this group who must find housing on the private market with incomes which include \$150 a month for housing.

There are close to 2,600 women in the City including 2,173

renters who need help with basic shelter costs, (Table 31) Of these, over one-third are single parent renters whose problems are compounded by limited choice of rental units available to families with children. Women household heads are more likely to be lower-income (62%) than males (36%); and among lower-income renters are more likely to pay excess rent (65%) than are men (55%). Thus, the proportion of female-headed households requiring assistance is significantly higher than male-headed households.

There are approximately 4,000 handicapped people in the City, half of whom are elderly. Assuming the same ratios as in the general population for ownership, lower income, and assistance need, an estimated 220 handicapped owners and 836 renters are

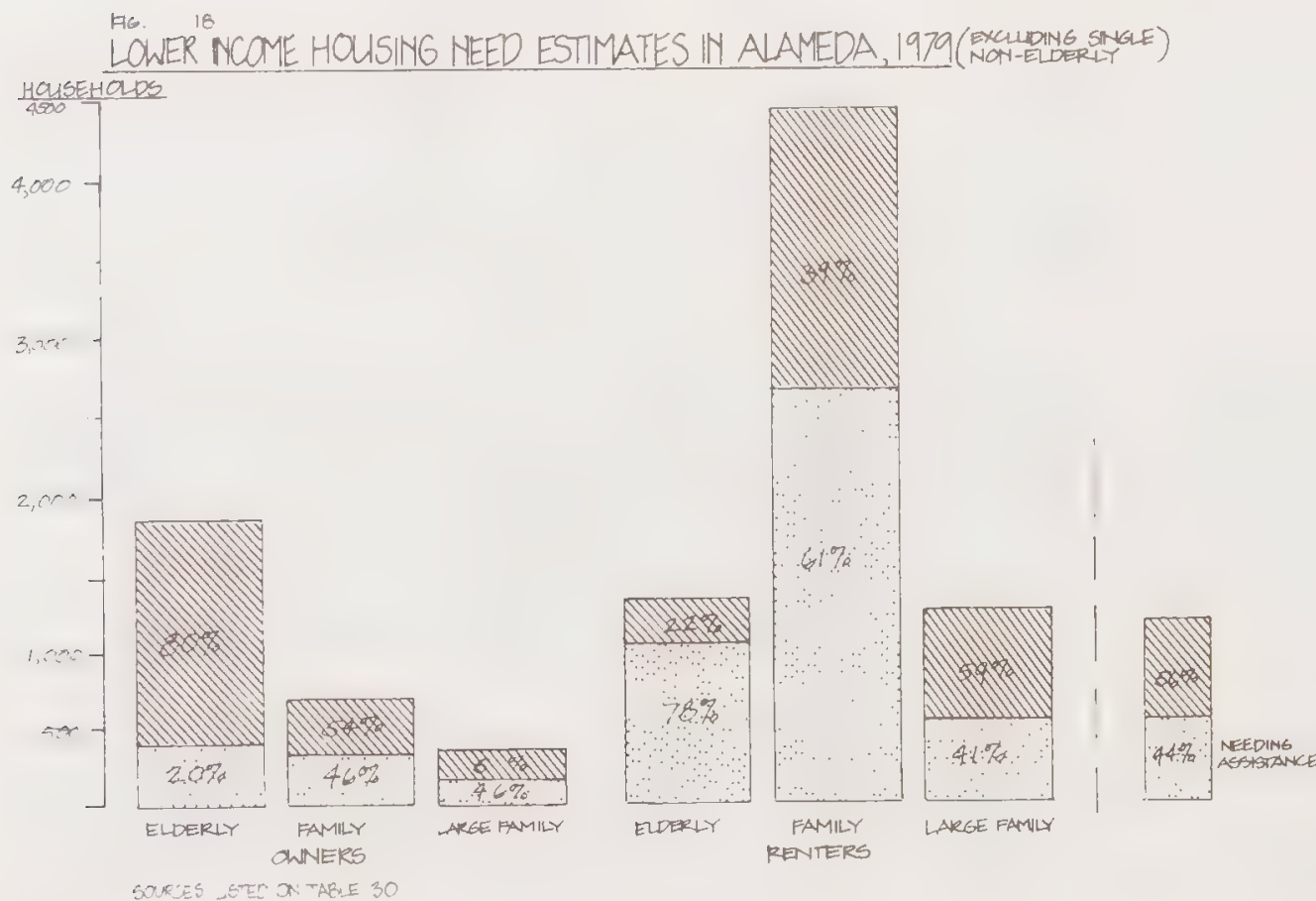
in need of housing assistance. In addition to problems faced by other low income people, handicapped people also face the problem of architectural barriers. The CDBG program has provided some 135 curb cuts to alleviate this problem. Further examination of the extent of architectural barriers in housing and public buildings is in order.

Emergency shelter has become more of a problem in Alameda in the past year or two partly because several of the emergency shelters around the East Bay Area have closed their doors from lack of funding. At the present moment, there are four families with children who have requested emergency shelter. People need emergency shelter for a variety of reasons: home is no longer safe as in the case of battered women and children; a family has been seeking a Section 8 unit, staying in a motel and has run out of money; a family has been evicted from a private or public unit. There is no provision in the City for emergency housing.

Home Purchaser Costs

In the current market situation there is increasing concern about the ability not only of lower income but also of middle income households to afford housing on the private market. In the State and in the Bay Area, concern centers around the group of middle income people who are now unable to afford home purchase. The ability to afford home ownership seems to be a lost illusion for a growing number of households in the State as well as in the City.

Within the past four years in Alameda, there has been a definite squeezing out of lower and middle income renters from ownership opportunities. (Table 27) It now takes, in most cases, an income of at least \$22,000 and ready assets of \$18,000 to \$20,000 to consider purchasing a first home in Alameda. And there is not much choice in the market for those with incomes under \$28,000 a year. With one-third of Alameda renter households earning over \$22,000 and about one-fifth earning over \$26,000, it is clear that many renters are forced to continue renting because they cannot afford to buy.



In 1975 about half of the City's lower income households and all of the households in the middle income range were able to qualify for purchase of a bottom of the market home in Alameda. In 1979 none of the lower income households and only 28% of those with middle incomes could qualify for an existing home at bottom of the market prices as they were in the spring of 1979. By way of comparison, there were only a few middle income families who purchased new homes in Harbor Bay Isle to June 1979. Some 98% of the purchasers of the first 150 new homes were upper income households. It becomes clear that the majority of middle income renters are forced to continue renting if they desire to remain in Alameda. Alternatively these families choose to purchase their first homes for more modest prices in other cities, build up equity and possibly move back to Alameda when the time comes to change to a larger home. With home prices continuing to rise the opportunity to return to Alameda may be precluded for many families in the middle income range.

Interviews with lenders in Alameda indicate that lending practices have changed somewhat in the present market situation in an effort to allow some families to qualify for homes. Such creative financing as co-investment and co-signers allow assistance with down payments as well as with qualifying income so that, for example, a young couple might get credit for parents' income as co-signer and thus qualify for purchase even though the couple's income by itself would not be sufficient. Similarly, there is increasing co-investment by friends, two or more single people, etc. Distinction is no longer made, according to lenders, between women's and men's salaries in qualifying purchasers.

Future Housing Needs

Projected Households

In a built up city such as Alameda, where there is very little vacant land not already under development proposals and where land use policies limit new construction in rather predictable ways, estimates of holding capacity and market phasing of new residential construction and demolitions would come close to a basis for estimating the probable numbers of households expected in the future. Table 32 presents projections for housing

units, households and population for 1980, 1985 and for a build-out situation which is expected around 1990.

An attempt has also been made to estimate future ownership ratios and proportions of various income groups. (Table 32). The underlying assumptions here are that the new construction will house mostly upper income families with a handful of middle income families; that 90 percent will be owner-occupied housing; that demolitions will be of lower-income rentals; and that the overall 1979 vacancy, 3.9%, will pertain to new construction and to existing stock evenly in the next five years. To the extent that these assumptions are accurate the ownership ratio is expected to increase from around 40% in 1979 to around 46% in 1984.

**TABLE 32 PROJECTED HOUSEHOLDS BY TENURE
AND INCOME BASED ON CLUP
RECOMMENDATIONS AND MARKET TRENDS**

	1979	1980	1984	Bulldout
Owners				
Lower Income	3,175	3,175	3,175	3,175
Middle Income	2,261)	8,043	10,297	11,173
Upper Income	5,139)			
TOTALS	10,575	11,218	13,472	14,348
% Lower Income	30%	28%	24%	22%
Renters				
Lower Income	8,117	7,978	7,958	7,944
Middle Income	3,414)	7,644	7,895	7,991
Upper Income	4,158)			
TOTALS	15,689	15,622	15,853	15,935
% Lower Income	52%	51%	50%	50%
Total Households				
Lower Income	11,292	11,153	11,133	11,119
Middle Income	5,675)	15,687	18,192	19,164
Upper Income	9,297)			
TOTALS	26,264	26,840	29,325	30,283
% Lower Income	43%	42%	38%	37%

It is assumed in the projections that the number of lower income owners will remain the same as in 1979. The numbers of lower income renters are expected to decrease in proportion to demolitions of rental units now available for this group of households.

“Fair Share” Allocations

A Fair Share Allocation Plan draft has been developed for the Bay Area by staff of the State Housing and Community Development Department. The purpose of this effort is to assign measurable responsibilities for lower income households to each community in the region. The aim of the Plan is to eventually equalize the proportions of these households throughout the region. Moving toward equalization, however, requires realistic consideration of where the existing lower income housing stock is located and the accessibility of each community to job opportunities. Using these two factors, Alameda’s “Fair Share” Allocation for 1985, according to State staff, is 43% of the City’s households—a reduction of 3% from the State calculation of 46% in 1970. Households of various income and tenure groups are projected according to these fair share allocations, (Table 33). A comparison of market trends with fair share projections indicates that, without further assistance in the next five years, some 1500 lower income families, both newly formed and those now in Alameda, would need to relocate, to double up or to pay an inordinate amount of their income for housing.

Substantial proportions of middle income renters seeking homes to purchase are in a situation of remaining renters or moving to other cities.

Table 34 summarizes the projected need for new construction, based on market trends, for rehabilitation and for housing assistance.

TABLE 33 PROJECTED HOUSEHOLDS BY TENURE AND INCOME BASED ON “FAIR SHARE” RECOMMENDATIONS

Tenure & Income	1979	1980	1984	Bulldout
Owners				
Lower Income	3,175	3,253	3,368	3,444
Middle & Upper Income	7,400	7,965	10,104	10,904
TOTALS	10,575	11,218	13,472	14,348
% Lower Income	30%	29%	25%	24%
Renters				
Lower Income	8,117	8,288	9,242	9,578
Middle & Upper Income	7,572	7,334	6,611	6,357
TOTALS	15,689	15,622	15,853	15,935
% Lower Income	52%	53%	58%	60%
Total				
Lower Income	11,292	11,541	12,610	13,022
Middle & Upper Income	14,972	15,299	16,715	17,261
TOTALS	26,264	26,840	29,325	30,283
% Lower Income	43%	43%	43%	43%



**TABLE 34 PROJECTED NEEDS FOR NEW CONSTRUCTION,
REHABILITATION AND HOUSING ASSISTANCE**

A. New Construction:

Additional Units	1979-1980	1979-1984
Owners	600	3,185
Renters	670	3,015
	-70	170
Replacement of Market Demolitions		
Owners		
Renters	195	215
Added Substandard Units Needing Replacement 1	85	88
Owners	14	24
Renters	71	64
Total New Construction Needs		
Owners	684	3,039
Renters	196	449
TOTALS	880	3,488

B. Rehabilitation 2

	1979	1979-1984
Owners	105	112
Renters	653	150
TOTALS	758	262

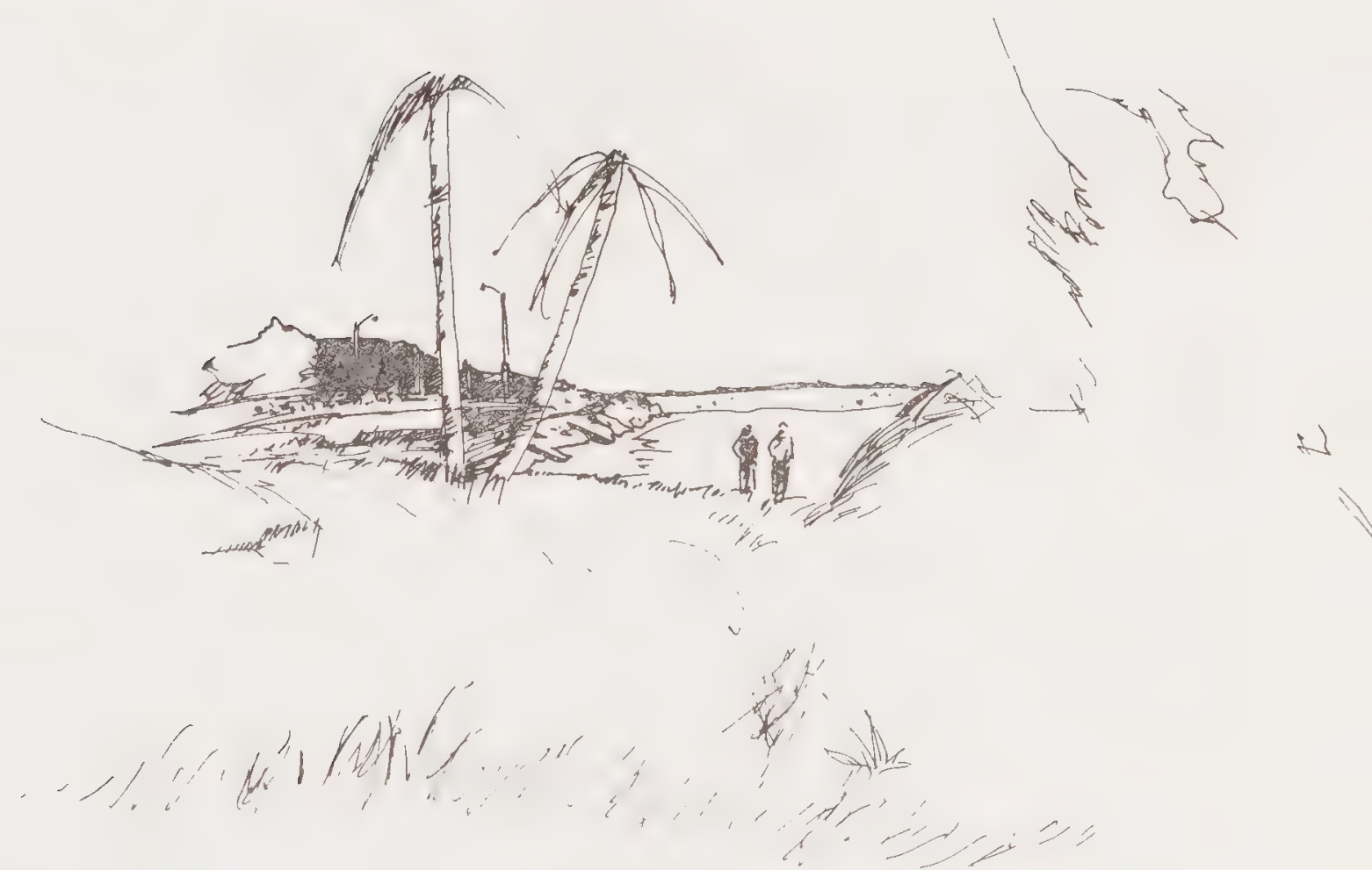
**C. Lower Income Housing
Need Estimates 3**

	1979	1980		1984	
		Market Trends	"Fair Share"	Market Trends	"Fair Share"
Owners	849	849	878	849	909
Renters	4,170	4,098	4,227	4,088	4,713
Totals	5,019	4,947	5,105	4,937	5,622

1 These figures are estimated additional replacement needs, assuming that 10% of the substandard units are uneconomic to rehabilitate and that market demolitions of five units per year are substandard rental units and are included in the figures above.

2 These figures are 90% of the estimated numbers of substandard units, including 1979 estimates and further deterioration at the rate of .2% of the housing stock each year.

3 Projected need for housing assistance among lower income households excludes single non-elderly and assumes the 1979 ratio of un-met need for owners (27%) and renters (51%).



Environmental Analysis

Project Description and Setting

The Housing Element revision is a part of the General Plan of the City of Alameda. Description of the environmental setting of Alameda within the region is found in Chapter IV. Chapter II contains the goals, policies and program actions recommended by the Housing Element Advisory Committee for adoption by City Council.

The possible environmental impacts resultant from actually carrying out program recommendations, are examined in this section along with the No-Plan Alternative.

Summary of Environmental Impacts

Implementation of recommended housing program strategies would have negligible impact on Alameda, as discussed in the body of the report.

There would be no significant effect from any of the program actions on land use, the total numbers of housing units constructed, population density, air or water quality, noise levels, or the ecology. There would be some minor improvement of the visual quality of residential neighborhoods with an ongoing

rehabilitation program aiding those who could not afford commercial loans. Expanded housing assistance resources which might be forthcoming under the Housing Element programs, would have a small effect on the distribution of income groups in the City by making it possible for a small number of middle and lower middle income families to remain in the City.

No-Plan Alternative

If the Housing Element revision is not adopted, and if program recommendations are not carried out, the effect on the environment in Alameda would be insignificant.

The distribution of income groups in the City might trend slightly upward with the No-Plan Alternative, possibly foreclosing some sources of funding for housing assistance to lower and middle income people. The total numbers of housing units built and densities would not be significantly different under the No-Plan Alternative from the proposed plan alternative. City government decisions might be made without evaluation of their effect on housing needs.

Income Groups

Household Size:	Very Low	Lower	Middle
1	\$ 6,150	\$11,150	\$14,900
2	7,950	12,750	17,900
3	8,950	14,300	21,500
4	9,950	15,900	23,900
5	10,550	16,900	25,250
6	11,150	17,900	26,850
7	11,750	18,900	28,250
8	12,550	19,900	29,850

Appendices

Definitions

ABAG - Association of Bay Area Governments.

Affordable housing - for lower income households, housing costs of 25% or less of gross income; for middle income home buyers, the ability to qualify for a conventional home mortgage loan; for middle income renters, housing costs of 35% or less of gross income.

CLUP - Combined Land Use Plan of City of Alameda's General Plan.

Elderly - persons aged 65 or over.

Fair Share - as defined by State formula, each jurisdiction's projected share of the region's lower income households.

Family - one or more persons sharing a housing unit, used interchangeably with "household."

HAP - Housing Assistance Plan, a statement of lower income housing assistance needs and program goals.

Household - one or more persons sharing a housing unit, used interchangeably with "family."

Housing assistance needs - those households who are overcrowded (more than one person per room); living in substandard housing (dilapidated and/or lacking plumbing facilities); or overpaying for housing (see definition of affordable housing).

Income groups - defined as a proportion of the San Francisco-Oakland regional median family income adjusted for household size. The following table gives upper limits for each household size and income group based on the 1979 regional median family income of \$19,900.

Region - the nine Bay Area counties within ABAG jurisdiction: Alameda, Contra Costa, San Francisco, San Mateo, Santa Clara, Marin, Sonoma, Solano, Napa.

Regional median family income - the midpoint income which half of the San Francisco-Oakland SMSA families exceed and half have less than.

San Francisco-Oakland SMSA - Standard Metropolitan Statistical Area used by the 1970 U.S. Census consisting of urbanized portions of five counties: Alameda, Contra Costa, San Francisco, San Mateo, Marin.

Citizen Participation

The Alameda City Council appointed a Citizens Housing Element Advisory Committee consisting of eleven members. The Committee met five times in August, September and October 1979 to accomplish two goals; one, to draft housing goals, policies and program recommendations for City Council action and, two, to review and comment on background data prepared by staff. The Committee recommendations are contained in the report section titled "Housing Goals, Policies, Action Program Recommendations." A minority report, prepared by committee member John Doherty, is included in this section. Comments on the background data and the participation process were prepared by Barbara Worden, Committee Chair.

***“Housing Element Committee, Report from the Chair,
Barbara Worden
City of Alameda, November, 1979***

The Housing Element Committee was formed to provide citizen input to the Housing Element required by the California Department of Housing and Community Development (although not necessarily by the legislature). The members were nominated by the individuals on the City Council and appointed by the Mayor. This report represents the work of the seven people who attended the work sessions. All members were at the first meeting, but that meeting was used by the staff to give input to the committee. There was a general agreement among the committee members as to policy with the exception of one member who has been encouraged to write his own report.

The goals the committee set itself were limited due to the schedule as it was stated to us by the planning staff. We decided to rewrite the Goals and Policies section and to comment on the bulky People and Housing section and the Housing Needs Assessment section. The committee was not aware of the possibility of a negative environmental impact declaration. Because of this fact the committee can make no recommendation on this matter.

The original document did not contain a description of Alameda sufficient to describe the physical and geographical characteristics of the island to a stranger in Sacramento. Specifically, the committee recommended that the language used by Mayor Corica in his letter of July 10, 1979 to the Assistant Secretary of Housing be put in the report in an appropriately dominating position.

The Committee also had the opinion that the original document focused too exclusively on the low-income tenant and did not give sufficient attention to the increasingly difficult time Alamedans are having buying the first house. The Committee directed that the needs of all Alamedans be addressed. The hardship caused by inflation on the housing needs of all people cannot be stressed too strongly.

Rehabilitation efforts were discussed as methods of improving the housing supply. New construction, due to the physical limitations of the island is almost out of the question. Succinctly: BCDC won't let us go out, and Measure A won't let us go up.

The committee did not want to continue the buildup of public housing in two sections of the City. Scattered Section 8 rental subsidies were preferred to public housing projects.

**Comments on the People and Housing Section and the
Housing Needs Assessment Section**

The committee agreed to review the People and Housing section and the Housing Needs Assessment section. The preference was to rewrite these sections, but the time limitation given to the committee by the staff precluded such an effort. The two report sections mentioned above give the background data on which the reported housing needs of Alameda are based. The committee has a majority consensus which is reported below.

The Tables and Data in General

The general opinion was that there was an overwhelming amount of figures, not necessarily justifiable ones. The data is based on 1970 figures as altered by changes assumed by staff. The committee felt it would be better to give the 1970 data and the known changes. The reader would then be able to draw his or her own conclusions. There can be a dangerous political use of the report as it now stands, a use resulting from the reader taking the material as gospel because it is printed rather than the best guess that it is. Committee comments were 'can't prove them (the figures) right and can't prove them wrong'...'do not need all of those pages to know that there are more people who want to live in Alameda than there are houses'...'anything can be proven by manipulating numbers'...'do not have identical sources for 1970 and for later years to provide an accurate comparison.'

Specific Issues

The use of 25% of income as an upper limit for shelter costs is no longer realistic. Lenders allow a higher percentage. State only requires this definition for low-income groups. Use of 25% as a guideline for all groups artificially increases the proportion of people who are paying 'too much for housing.' The fact that HUD still uses this number is not a good reason to use it in City planning.

It was expressed that there was not enough emphasis in these sections on the Housing the city has already provided. State employees in Sacramento do not know anything of Alameda's

past efforts. Merely including tables to that effect is not putting sufficient emphasis on past accomplishments. Housing programs are better controlled by local government.

The concept of Alameda's fair share was questioned. The state employees allocate a greater burden for low income housing to those communities who have been providing same. The quotas assigned to Walnut Creek or Orinda were far less than that assigned to Alameda. The procedure for challenging the City's fair share is outlined in paragraph 6436 in the State's administrative regulations.

Most committee members pointed to the low activity in housing programs in neighboring communities such as San Leandro and Hayward. Mr. Doherty did not feel this was pertinent.

The need for an 800 vacancy rate was questioned.

The committee universally felt a strong sense of frustration. A 'lame duck committee' was the description of one member. Other members had earthier descriptions. The report was pretty well frozen when we got it. There was a strong resistance to any in-depth review of the data by the committee on the part of staff. This problem may prevent adequate citizen review this time around, but the experience could be used to learn how to have a more effective committee the next time a Housing Element is written approximately five years from now.

The committee should meet initially before the next report is written. The present committee was composed of residents who had good local knowledge of the City. Many were in professions or avocations which would have enabled them to contribute with talent. The committee should have a say in what information is needed for the report. For example, the Federal Mortgage Institutions were required to 'redline' near manufacturing zones and railroad tracks. The whole Northside suffered from a deprivation of financing until a few years ago. Now that the federal regulations have been changed, has the homeownership potential increased in these low-income tracts? More information was needed on the progress of rehabilitation in Alameda. This was a key issue discussed by the committee. In the last report there was an 'eyesore' count. There was no study made this time. The committee was concerned with the concentration of subsidized housing in one section of the City. There was no information available to the committee on the distribution of

individual Section-8 rental subsidies. Is that, too, being concentrated on the North and West sides of the island? There was a serious question about the owner/tenant ratio in Alameda. But the homeowner exemption data was dismissed by staff as not as pertinent as the assumptions made by staff in arriving at this ratio.

The committee had a much greater potential to contribute than it was able to do. If the citizens had an ability to direct the study while in progress, the concept of citizen participation might have a more practical meaning."

Report from Committee Member, John Doherty - November 1979

"GOAL:

The goal for Alameda should be to provide decent, safe, and sanitary housing for all segments of the community.

ATTAINMENT:

To accomplish this goal we need the help of Alameda's richest resource - people who are not only materially wealthy but also rich in experience. If we ever expect to help those who need help the most, those who have must be asked to share what they have with the needy. Government, even with the best of intentions can never replace the old system of helping our neighbors in need.

THEREFORE: I recommend that the community form an *Independent Non-Profit Corporation* to accomplish as nearly as possible our one Housing Goal. This corporation would not be limited to providing housing but would reach out with other services to anyone in need.

MAKE UP OF CORPORATION: Leaders in

- Finance
- Land Development
- Real Estate
- Insurance
- Commerce
- Industry
- Labor - especially the Building Trades

ALSO:

Church leaders

Community leaders

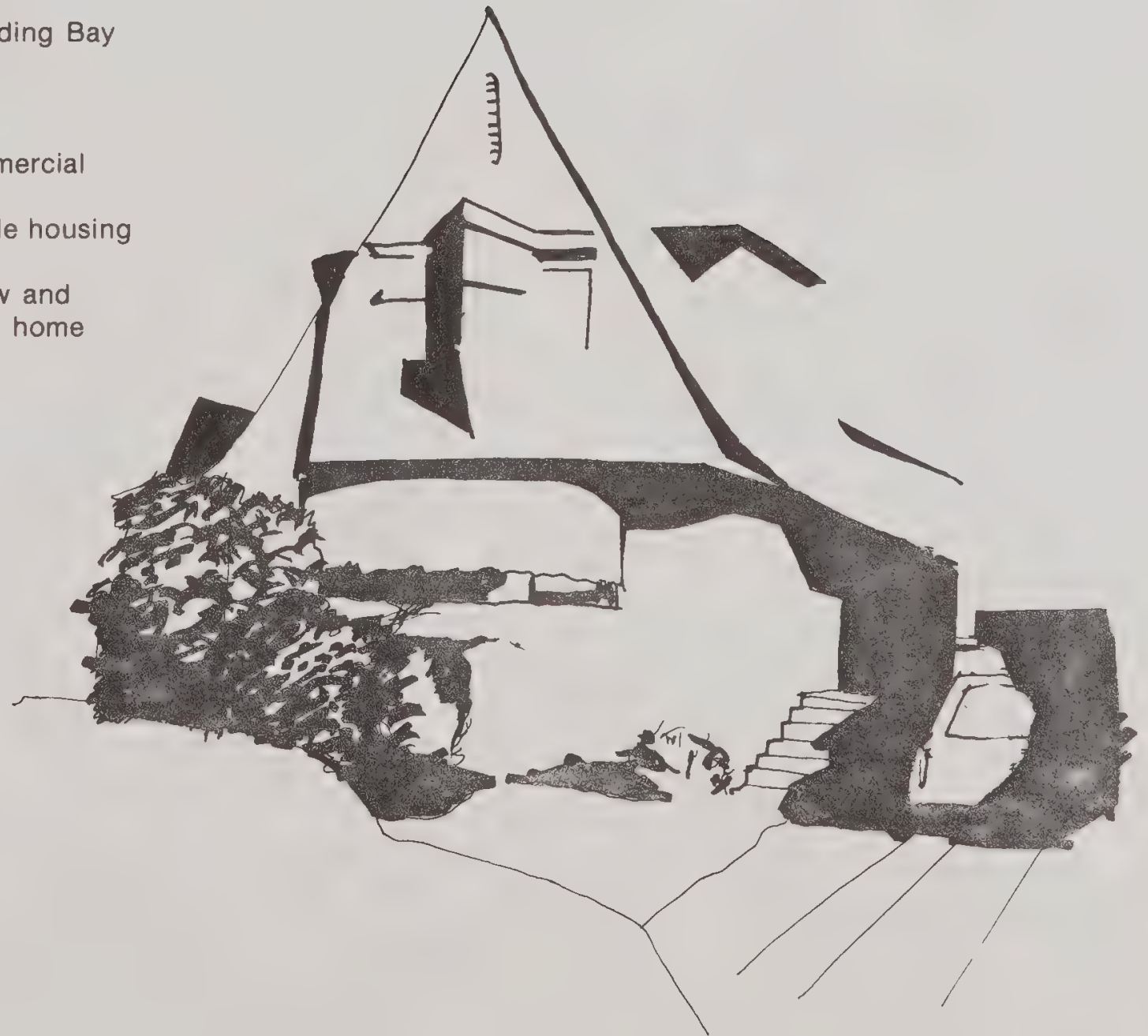
Professional people

Corporate executives

Anyone willing to donate time or money to make Alameda a better place to live for all of its citizens.

POLICIES AND PROJECTS: Such a corporation would write into its By-Laws, policies and projects to reach our Housing Goal by:

- Buying scattered housing throughout the City including Bay Farm Island and the new Marina area
- Rehabilitating existing homes
- Providing temporary emergency shelter
- Developing housing in underused and unused commercial areas
- Providing incentives for developers to build affordable housing for lower and moderate income families
- Providing down payment subsidies so that more low and moderate income families can afford at least starter home ownership."



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